

286. George Cornell Abert.
 287. Robert John Hill.
 288. Ward Sanford Ryan.
 289. Edward Stephenson.
 290. Robert Howard York.
 291. George Artman.
 292. Ralph Brown Lister.
 293. George Rapp Zohrlaut.
 294. David Gibson Sherrard, 2d.
 295. Frank Edward Hartman.
 296. William Folwell Neff.
 297. Samuel Salvatore Campanella.
 298. Edward Gustave Aaron Chalgren, Jr.
 299. James Horace Isbell.
 300. Collin Batson Whitehurst, Jr.
 301. John Boddie Coleman.

POSTMASTERS

MINNESOTA

Joseph C. McGowan, Benson.
 Robert H. Burrill, Hawley.

TENNESSEE

William P. Stone, Lynchburg.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 7, 1938

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Heavenly Father, O Thou Saviour who hast loved us, love us into strength, into patience, and into brotherhood. We pray that our undaunted Lord and Master may inspire us with His faith and zeal. Unseal the fountains of Thy presence, and may we recognize the claims of high character, noble duty, and the service we owe a great people. May we look up from the lap of our own dear native soil and thank God that we live in the fairest portion of all the earth; may it never be the despair of any man. As we see Thy hand stretched forth, may we be deeply grateful that it is the love of the eternal that binds us to Thy throne forever. Enable us to prove the justification of our high ideals and the guaranty of our great hopes. Grant that we may dispense with all unnecessary anxieties, trust God, labor justly, and be at rest. We pray that a new world will soon be shaped for a new humanity. We beseech Thee to bless and guide all officers, leaders, and Members of the Congress, and Thine shall be the praise. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9995) entitled "An act making appropriations for the Military Establishment for the fiscal year ending June 30, 1939, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate Nos. 20 and 30 to the foregoing bill.

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 667. Joint resolution to authorize an appropriation to aid in defraying the expenses of the observance of the seventy-fifth anniversary of the Battles of Chickamauga, Ga., Lookout Mountain, Tenn., and Missionary Ridge, Tenn.; and to commemorate the one hundredth anniversary of the removal from Tennessee of the Cherokee Indians, at Chattanooga, Tenn., and at Chickamauga, Ga., from September 18 to 24, 1938, inclusive; and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2165. An act to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes."

COMMITTEE TO INVESTIGATE UN-AMERICAN ACTIVITIES

The SPEAKER. Pursuant to House Resolution 282, Seventy-fifth Congress, the Chair appoints as members of the special committee to investigate un-American activities, the following Members of the House: Messrs. DIES, chairman; HEALEY; DEMPSEY; STARNES; MOSIER of Ohio; MASON; and THOMAS of New Jersey.

SECOND DEFICIENCY APPROPRIATION BILL, FISCAL YEAR 1938

Mr. WOODRUM, from the Committee on Appropriations, reported the bill (H. R. 10851) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1938, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1938, and June 30, 1939, and for other purposes (Rept. No. 2614), which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

ORDER OF BUSINESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the business on the calendar in order for the day may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 515

Resolved, That there shall be paid out of the contingent fund of the House not to exceed \$20,000 for the expenses of the select committee appointed under the authority of House Resolution 291 to investigate the campaign expenditures of the various candidates for the House of Representatives in all parties.

With the following committee amendment:

In lieu of the matter contained in House Resolution 515, insert the following:

Resolved, That the expenses of the investigation by the select committee created by House Resolution 291, not to exceed \$20,000, including expenditures for the employment of clerical and stenographic assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on Accounts.

"Sec. 2. That the official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged."

Mr. WARREN. Mr. Speaker, this is the usual resolution that has been passed for years and years, and carries the same sum of money as heretofore appropriated. I hope that no part of this appropriation will have to be used, and I very freely predict now that practically all of it will be returned.

Mr. SNELL. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from New York.

Mr. SNELL. As I listened to the amount, I thought it was even less than we appropriated in previous years.

Mr. WARREN. No. We have appropriated \$20,000 every 2 years and practically all of it, with one exception, has been returned.

Mr. SNELL. I could not quite understand what the idea was of the second part of the resolution there.

Mr. WARREN. The original resolution was badly drawn and left no supervision over the expenditure of the money by the Committee on Accounts; so we have brought in a substitute resolution providing for this supervision and it also contains another provision that if they have any hearings

during the recess of the Congress in the District of Columbia they may use the official committee reporters.

Mr. RICH. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Pennsylvania.

Mr. RICH. As I understand it, you are going to spend \$20,000 to investigate the expenditures of Members of Congress in the campaign. Is that correct?

Mr. WARREN. The gentleman knows this is the usual resolution for any alleged election violations.

Mr. RICH. Is the gentleman going to give consideration to the \$3,300,000,000 that is going to be spent for the Public Works Administration, which the Senate voted recently, and permit this money to be used for campaign expenses?

Mr. WOODRUM. Will the gentleman yield?

Mr. RICH. I have not finished.

Mr. WARREN. I am not going to permit the gentleman to finish because I am not going to have anything to do with this.

Mr. RICH. Is the gentleman going to make an investigation?

Mr. WARREN. I have nothing to do with that.

Mr. WOODRUM. Will the gentleman answer this: If there is to be an investigation, will the gentleman give some consideration to the unnecessary increase in the appropriation for the Rural Electrification Administration, in which the gentleman from Pennsylvania forced \$40,000,000 on the Rural Electrification Administration that it did not want and that it did not need?

Mr. RICH. JOHN RANKIN said they did need that money, and JOHN RANKIN stated he would get up on the floor and show you why they need the money.

Mr. WARREN. Mr. Speaker, I move the previous question. The committee amendment was agreed to.

The resolution, as amended, was agreed to, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. WADSWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made by myself at Albany, N. Y., on June 6, before the New York State Constitutional Convention, the subject being The Late Elihu Root.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOOD. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Reserving the right to object, Mr. Speaker, and I shall not object, I believe the gentleman ought to know we are going to try to read the deficiency bill for amendment tomorrow, and it may be late in the day before he will have an opportunity to address the House.

Mr. WOOD. Mr. Speaker, I am well aware of that fact, but I have not taken up much of the time of this House in addressing the House. If the gentleman wishes to object, all right.

Mr. TABER. I am not going to object, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ONE HUNDREDTH ANNIVERSARY OF THE BIRTH OF JOHN HAY

Mr. CROWE. Mr. Speaker, I ask unanimous consent for the present consideration of House Concurrent Resolution 53, which I send to the Clerk's desk.

The Clerk read the concurrent resolution, as follows:

Whereas the one hundredth anniversary of the birth of the late John Hay occurs on October 8, 1938; and

Whereas the said John Hay rendered distinguished public service as secretary and biographer of President Abraham Lincoln,

as Secretary of State of the United States, as negotiator of the Hay-Pauncefote Treaty, and as orator at the joint meeting of Congress commemorating the life and character of President William McKinley; and

Whereas the Washington County (Indiana) Historical Society has planned an observance of said anniversary to be held at the birthplace of the late John Hay at Salem, Ind., during the week of October 2 to 8, 1938, inclusive: Therefore be it

Resolved by the House of Representatives (the Senate concurring), That a committee of two Senators and four Representatives be appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, to represent the Congress of the United States at said celebration.

That the Secretary of State, the Librarian of Congress, and the Archivist of the United States are hereby requested to furnish such documents or reproductions thereof, under such regulations as they may prescribe, to the Washington County Historical Society for exhibition purposes in connection with said celebration.

The SPEAKER. For the information of the House, the Clerk will report the amendment which the gentleman from Indiana proposes to offer to the resolution.

The Clerk read as follows:

Amendment offered by Mr. Crowe: On page 2, after line 9, insert a new paragraph, as follows:

"That no appropriation shall be made to carry out the purposes of this resolution."

The SPEAKER. Is there objection to the request of the gentleman from Indiana for the present consideration of the resolution?

There was no objection.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Indiana.

The Clerk again reported the amendment.

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address I made on yesterday before the Mercer University Alumni Association.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VOORHIS. Mr. Speaker, I ask unanimous consent to include in an extension of my remarks certain extracts on the problem of transiency which appeared in the Catholic Worker.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

THE DEPRESSION—THE CAUSE AND THE REMEDY

Mr. GRAY of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SECOND: SPEAKING ON MONEY IN INDUSTRY

Mr. GRAY of Indiana. Mr. Speaker and fellow Members of Congress, preliminary to an explanation of the cause of the world industrial crisis and the cause and the remedy of the 1937 depression, it must be realized and understood that the growth and development of industry came with and following the means and use of money, and without money there could have been no modern industry.

THE USES OF MONEY

Alongside the history of modern industry must be written the history of money and its uses. With the use of money always leading the way, and modern industry following up where money led, we must therefore first speak of the uses of money for an understanding of the modern operations of industry developed from its crude and primitive state.

It was early in the dawn of human history when man first awoke, conscious of his being, that he was made to realize the advantages of working together with his fellow man. And mother necessity, ever mindful and watchful of the interests

and welfare of her children, invented money to work out their destiny together.

THE RESOURCEFUL HUMAN MIND

And it was the progressive impulse of the resourceful, human mind that developed the crude money materials from commodities in barter and exchange into tokens and symbols of value, making foods and services of men conveniently convertible into other goods and services and facilitating their transfer for exchange.

MONEY AND CIVILIZATION

It was the invention and use of money which made it possible for our civilization and paved the way for human progress, and the flickering lights flaring up along the pathway of men groping through the shadows of the early morning twilight of human history have marked the periods of the use of money.

It was the lights of money fading out with the failure and disappearing supply of gold and silver, then the only money materials, that left the people groping in the Dark Ages, until the discovery of gold and silver in the New World, and the invention of paper money as a medium of exchange lifted the shadows of that long night for the returning footsteps of human progress.

MONEY AND INDUSTRY

Money is as vital to industry and civilization as light, air, or water to the body. A partial failure or interference of the supply of light, air, or water would impair and disorder the body, and a part failure or interference with the free flow of the money supply will impair, slow down, and disorganize the conduct of industry and the forms of civilization.

With a total failure of the supply of light, air, or water the body would dwarf and perish. And so with a total failure of the supply of money, civilization and industry would fall, crumble, and decay, and men would be driven back to the caves to clothe themselves in the skins of animals and to live again their crude and primitive lives.

ALL HUMAN PROGRESS BASED ON THE USE OF MONEY

Money is the basis of all social relations, of the institutions of peace and civil life, and all the charities that soothe and heal and bless, and all the orders of civilization itself would languish, fail, dwarf, and disappear if money in all its forms for exchange was destroyed, withheld, or withdrawn from use.

Money is the one invention of man which lifted him above mere animal existence, and made his progress and advancement possible, and opened the way for him to progress further in his march to the higher planes and goal of our present exalted civilization.

Looking back, down, and through the fading shadows of the morning twilight of human history, we see men moving in the flickering lights of the crude forms of primitive money, coming up from their benighted state to the higher planes of human life, gradually with the development of money.

INDUSTRY IS MEN WORKING TOGETHER

Industry is men working together, producing as experts together, performing services as specialists together, and exchanging their services or what they produce for other services and what others produce, and all together, as specialists and experts, multiplying production and efficiency in service for the greater well-being of all.

Money alone made industry possible, made possible for men to work together. Industry is built upon and founded upon the use of money for exchange of service and commodities. No industry could exist or progress without money. Without money all industry would stop, stand still. Men would be compelled to separate and work alone and go back to the caves from whence they came.

A WANT AND SCARCITY OF MONEY

A want, scarcity, or partial failure of money, of an insufficient volume or supply of money, for the exchange of prod-

ucts and services of men will stagnate and slow down and disorganize industry, which we call a panic or an industrial depression, followed with unemployment and failure of consumption and with want and suffering in the midst of plenty and abundance.

But a total failure of the supply of money would completely disorganize and destroy all industry, would make it impossible for men to work together, would close down every factory, mill, and workshop, would drive men out of their homes to go back and peer out from the caves of the earth, wearing skins of animals for clothing.

BEFORE THE INVENTION OF MONEY

Before the invention of money, men were compelled to produce and provide for all their own needs, each for himself. They could not specialize as experts in any one line of service or production, and obtain their other needs from other men, nor supply other men with their services or products.

They were compelled to produce each and every article for themselves, which they needed and required to use and to perform for themselves every service necessarily performed for them to live. They were forced to be jacks-of-all-trades and could be masters of none. They could not specialize to become skilled or proficient in any one art, trade, line, or calling.

Thus, each compelled to provide every article and service, men could live little better than some of the animals, which store up their food in season and find caves for their shelter from the elements. With men compelled to work separately and provide themselves for every necessity and service with their own hands and labor, human progress would have been impossible, or long delayed.

THERE COULD BE NO SKILLED ARTISANS

There could have been no skilled carpenters or masons to build the houses for comfort and shelter; there could have been no skilled weavers of cloth to cover and protect their body from the elements; there could have been no men to devote themselves to medicine and surgery, to remedy bodily ills, disorders, and disease, nor to develop the uplifting sciences and the arts.

There could have been no men to prepare themselves as educators to impart knowledge of the world and the forces around and about them; there could have been no men to study as astronomers to take their bearing in the realm of space.

Men could not have worked together, each specializing as an expert to become skilled and proficient in any certain line, trade, calling, or endeavor, to enable them to provide more and better of all the comforts and conveniences of life. They could not have performed services and produced together. They could not have worked together in a system of industry.

MEN COMPETING WITH THE ANIMALS

Men would have gone on competing with the animals about them, overcoming them and wearing their skins, overcoming them and driving them out of the caves and making their dens their homes, overcoming them and living off of their flesh, or taking the natural foods away from them, much as one superior or stronger animal overcomes another.

OUR FREE, COMPETITIVE SYSTEM OF INDUSTRY

There could have been no system of free, competitive industry under which men, as individuals, could have developed from their own initiative; could progress as free, moral agents; could be the architects of their own fortunes; could live their own lives and make their own world around them.

All industry was developed with the use of money. It has suffered impairment and stagnation with the failure or interference with money. Industry has followed up with prosperity, with the normal increase and stabilization of money, and it has followed down to the depths of impairment and stagnation with the failure or this perverted use of money.

OUR SPECIALIZED SYSTEM OF INDUSTRY

Modern industry is a specialized system, men specializing as experts in one line of production, one man providing one article or part of the necessities, another man producing other articles or parts of the necessities, and under which system men have been enabled to become more efficient and skilled to produce more and better of all the necessities, comforts of life.

There are two vital operations in our specialized industrial system which are and can only be carried on with money. These operations are in the employment of men. Men working together in modern industry cannot divide the goods produced, nor share their part of the goods produced, but take money to represent the value of goods produced.

One part of these two operations of industry is to make possible or practicable for some men, who manage and direct production and enterprise, to bring in or give employment to other men by means of money, dividing the earnings and income from the goods produced or enterprise carried on in portions of value to sustain the men employed.

The other part of the operations of industry is to enable men working as specialists and producing one article of the necessities to exchange their services and what they produce for other services and what others produce, and thereby to provide themselves with all the necessities, comforts, and conveniences produced by others, as well as themselves.

MEN COULD NOT BE EMPLOYED WITHOUT THE USE OF MONEY

Without the use of money in modern industry there could be no employment of men. Some men could not provide employment for others. Each man could only employ or work for himself separately. Men could not be organized to work together. Without the means and agencies of money modern industry could not function for a single day.

It is only by the means and agencies of money that men can work as specialists, as experts, each devoting himself to one line of production, and exchanging their services and what they produce for other services and what others produce, and thereby providing themselves with all the necessities required by men to live.

In closing this second address, I want to leave with you in mind that industry is men working together, that it was the invention of money that made industry possible, possible for men to work together, possible for men to exchange their services and what they produced for other's services and what others produced.

And every interference or interruption of the free use of money in industry will interfere and interrupt the progress of industry. And a part failure of the supply of money will bring a like failure of industry, and a total want or failure of money will compel men to separate and destroy all industry.

EXTENSION OF REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a brief communication from the National Agricultural Conference that was held here on June 2.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KNUTSON. Mr. Speaker, last evening a very delightful program came over the air. It was interspersed with election returns from the State of Iowa that gave much comfort to those who believe in constitutional government and noninterference from outsiders. About 12 o'clock the returns indicated that the forces of constitutional government had

won. The report was followed by a selection of the orchestra entitled "The World Ain't So Crazy After All." The program closed with the singing of that delightful ballad of Carrie Jacobs Bond, Just a WEARIN for You.

The returns from Iowa would indicate that the popularity of the New Deal is WEARIN out.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to include in my remarks a brief article on farm fuel alcohol. The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein two speeches made on Memorial Day.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on general legislation for Puerto Rico.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

SECOND DEFICIENCY APPROPRIATION BILL, 1938

Mr. WOODRUM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10851) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1938, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1938, and June 30, 1939, and for other purposes; and pending that, I ask unanimous consent that general debate may continue during the afternoon, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

Mr. TABER. That is satisfactory.

The SPEAKER. The gentleman from Virginia moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10851, and pending that, asks unanimous consent that general debate on the bill may continue during the remainder of the afternoon, the time to be equally divided and controlled by himself and the gentleman from New York. Is there objection to the request?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10851, with Mr. McREYNOLDS in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the bill and copies of the report are available. I may state that it is the purpose of the committee to use as much time as may be required for general debate today and to begin reading the bill for amendment tomorrow.

This second deficiency bill, while somewhat voluminous from the standpoint of printed pages, is just about in line with deficiency bills we have had at the same stage of other sessions of Congress. We provide appropriations totaling \$274,347,229.64 in this bill, a decrease of \$24,540,215.11 under the Budget estimates.

You will find in the report, if you are interested in following it, a very clear statement of the items in the bill. You will find that there is only \$12,500,000 of real deficiencies in the bill. The judgments and audited claims total \$10,319,580.99, making for this and deficiency purposes a total of \$22,819,580.90 for the fiscal year 1937 and prior fiscal years, or about 8.5 percent of the bill. Four major items, totaling \$220,649,291.16, constitute 81 percent of the total amount, and I shall refer to those items briefly in a moment. Other supplemental amounts for the fiscal years 1938 and 1939 total \$30,878,357.58, or 10.5 percent of the bill.

One of the four major items is \$94,285,404.73 to restore the capital impairment of the Commodity Credit Corporation. This Corporation makes loans on the basic agricultural commodities, and this appropriation represents almost entirely the depreciation as of March 31 last of collateral for cotton loans. This is a disguised subsidy, someone has said, to the cotton farmer, but I think it is very thinly disguised.

Under the law a survey is required each year, as of March 31, and if the capital has been impaired below \$100,000,000, an appropriation may be made to restore it up to that amount. The Corporation will make further loans, and if there are losses we will have to repair their capital again next year.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BOILEAU. Is that in addition to the \$130,000,000 subsidy and also in addition to the amount carried in the Senate amendment to the relief bill?

Mr. WOODRUM. This is in addition to all of that.

Mr. BOILEAU. Quite a fair subsidy for 1 year for cotton.

Mr. WOODRUM. Just about a billion dollars. I do not mean, of course, that all of that is for cotton or for subsidy, but for all purposes on account of agriculture.

Mr. BOILEAU. Most of it is for cotton. The \$130,000,000 is for cotton and also a large part of the \$212,000,000.

Mr. WOODRUM. That is correct.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. PACE. The gentleman from Wisconsin refers to the fact that this was a lot of subsidy for 1 year. I would like to ask the gentleman if he knows that of that \$130,000,000 not one penny has yet been paid to the farmers and it now seems they will not be paid until next year, and the \$212,000,000 carried in the Senate bill is not to be available until 1939, and the farmers have never got one penny of subsidy.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SNELL. How much cotton does this organization own at the present time, or how much have they on which they have loaned money and practically own now?

Mr. WOODRUM. There is a very full statement in the hearings about that. I do not have in mind the exact number of bales or the number of pounds.

Mr. SNELL. The gentleman from New York [Mr. TABER] says about 7,000,000 bales.

Mr. WOODRUM. Their total outstanding loans as of March 31, 1938, were about \$215,000,000, mostly on cotton.

Mr. SNELL. And when they sell the additional cotton, of course, there will be more losses?

Mr. WOODRUM. That is probably correct.

The second of the four major items is the amount of \$40,561,886.43, which is to return to certain States 90 percent of the Federal employees' taxes collected in those States under title IX of the Social Security Act prior to the time the States qualified under the social-security system. This is authorized by law as to those States. They are set out at page 7 of the report.

The third of the four major items is \$50,000,000 for the refund of the processing taxes collected under the Agricultural Adjustment Act.

The fourth of the major items is \$35,802,000 for the naval shipbuilding program including funds for yard and station

facilities in connection therewith. This sum arises because of the Naval Expansion Act, recently become a law, and our general defense policy as outlined by the President's message of January 28, 1938.

There are a number of other items in the bill of lesser importance.

The committee has conducted very careful and, we think, very comprehensive hearings on all of these items.

One of the items that Members will probably be interested in is the Thomas Jefferson Memorial. The Committee on Appropriations brings that back to you again. Responding to the thought that there should be in the Nation's Capital a representative, dignified memorial to Thomas Jefferson, that might take its place alongside of the memorials to Lincoln, Washington, and other such distinguished Americans, Congress set up the Thomas Jefferson Memorial Commission. It is a bipartisan body and has distinguished gentlemen of both Houses on it. They have labored long and diligently.

In the act constituting that Commission we gave wide and unusual powers. We gave them authority to select the type of memorial, to select the site for the memorial, and the additional and unusual authority to proceed with a contract that would bind the Government for the cost of the memorial not exceeding \$3,000,000. That Commission could have performed those functions and entered into a contract for the construction of a memorial within the authorized amount of \$3,000,000 and the Government would have been liable. They have not undertaken to use that wide power, but they have sought to devise a plan and select a site. We are all familiar with the controversy and the difference of opinion that has existed in and out of Congress upon the subject, but the Committee on Appropriations felt that the House should settle that matter. The Commission is unanimous. The matter comes to us with a unanimous report and decision as to the type of memorial and the site for the memorial and the Budget estimate, and we feel that the Congress should carefully consider the matter and act upon it in its wisdom.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. SNELL. Does the gentleman himself, considering the economic condition of the country at the present time, think that Congress should borrow \$500,000 to start the construction of this memorial or a memorial for any man, no matter how great he was?

Mr. WOODRUM. The gentleman has asked me an embarrassing question but I will answer frankly. I think the Government should not do it.

Mr. SNELL. I have asked the question in absolute good faith.

Mr. WOODRUM. I appreciate, and I have answered the gentleman frankly, as I have stated frankly to my distinguished and beloved colleague the gentleman from New York [Mr. BOYLAN]. I think Congress should not do that, but this may be said somewhat in extenuation of doing it. We are proceeding with a public-works program of heavy construction upon the theory that it will furnish employment to people, spending money to build post offices and other types of heavy construction, and the building of this memorial will fit into that program just as well as the building of a post office in my district or in the gentleman's district.

Mr. SNELL. I think the gentleman is fair in that statement, but my thought at the present time is that if we were to put the matter up to the American people, they would turn it down. I think the average citizen is beginning to think that Congress should feel some responsibility about spending the people's money, and I think this is a very serious question, so far as the country as a whole is concerned at the present time.

Mr. WOODRUM. Of course, the gentleman will bear in mind the fact that there is quite a good deal of sentiment in

America in connection with a proper and adequate memorial to Thomas Jefferson.

Mr. SNELL. But we do not need it at the present time.

Mr. WOODRUM. We could do without it. There is no doubt about that.

Mr. SNELL. I think there are many other things that should come before that memorial.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. McSWEENEY. What is the status of this Commission? Is it a continuing Commission?

Mr. WOODRUM. The Commission continues until Congress does something with it, but they have acted and prepared a unanimous report, and it seems to me it is not fair to create a commission and just leave it hanging in the air.

The bill provides for two public buildings in the District of Columbia. One is a first unit in the plan for housing the War Department, and the other a building for the Social Security Board and the Railroad Retirement Board. Estimates for a War Department building have been before the Committee on Appropriations for several years. The first estimate called for a set-up of about \$23,000,000, but the Committee on Appropriations did not bring the item to the House. In the last session of Congress the estimates were revised for a group of buildings costing about \$26,000,000, and again the Committee on Appropriations did not act favorably on the matter. This year the Budget estimate calls for the land for the whole project and the building of one unit of this group of buildings, at an estimated total cost of \$10,815,000, and the amount carried in the bill for next year is \$3,000,000.

The Social Security and Retirement Boards' buildings will ultimately cost for site and buildings \$14,250,000, and \$3,000,000 is carried in this bill for that.

As to the War Department building let me make this further statement. The War Department at the present time is in a very tragic situation so far as its housing is concerned. The Department is spread out in 19 different buildings, paying a lot of money for rent. A great deal of the time of the responsible administrative personnel is consumed in traveling from one building to another when they have conferences. Their files are divided. This will give them the first unit of a group of buildings which may be located in the area the other side of the Washington Auditorium.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. REES of Kansas. The gentleman has just stated the number of buildings required to house the War Department. Has it become necessary in the last few years to increase the personnel of the War Department, that is, the officers and clerks?

Mr. WOODRUM. I think the personnel has not been increased so much as in other agencies. They have, for instance, crowded the War Department almost entirely out of the old State, War, and Navy Building. They are now spread around in a number of small buildings as well as in the munitions building. They have had to branch out and put their different agencies in different buildings. There has been, of course, some expansion in military personnel and civil activities; but I think the space condition has not become so acute on account of that as it has on account of the needs of the State Department.

Mr. REES of Kansas. The State Department has expanded.

Mr. WOODRUM. Yes.

The Social Security Board, of course, is a tremendously large agency. One of their principal units is in Baltimore. They could not find a building in Washington that would house them. They are running three shifts over there in a very unsuitable warehouse building. They are working three

shifts a day in order to build up the wage records and keep track of this great undertaking.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SNELL. Does the present plan contemplate the destruction of the War Department Building, or will that be left as it is?

Mr. WOODRUM. The State, War, and Navy Building will not be touched at all. It will release more space there to be utilized by the State Department, space which it badly needs.

Mr. THOMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. THOMPSON of Illinois. At the present time the Social Security Board is quartered in Baltimore. If we appropriate funds for this new building, will all the activities of this organization be centralized here in the Nation's Capital?

Mr. WOODRUM. That is the purpose; yes.

Mr. Chairman, unless there are questions by the Members, I do not think I will take further time just now.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. RICH. For the Bureau of Engineering there is carried an item of \$1,750,000. What do they expect to do with this money?

Mr. WOODRUM. The gentleman refers to the Navy item, I take it?

Mr. RICH. That is for the Navy Department; yes.

Mr. WOODRUM. That is for machinery, tools, and equipment in connection with the naval construction program.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. CRAWFORD. In looking over the hearings that have to do with the Commodity Credit Corporation, I notice there is a replenishment of capital to the extent of \$94,285,000 up to March 31 of this year. Does the gentleman know, or does the committee have information that indicates what the loss is likely to be under the Commodity Credit Corporation during the coming inventory year, which would be to next March 31, assuming that prices of wheat and cotton range at about the present level and that the Commodity Credit Corporation has to put up the 52 to 75 percent of parity as set forth on page 730 of the hearings? Is the administration in position to give any estimate on that point? Was that brought out?

Mr. WOODRUM. I think there was not any estimate as to future losses. The gentleman will also find a statement on page 728 which shows outstanding loans of \$214,722,029.50. These were made almost entirely on cotton.

Mr. CRAWFORD. For instance, taking the outstanding balance of 1934-35 producers' loans of \$116,000,000, that is in the crop year 1934-35, let us assume that the present prices of cotton continue; what chance is there for the Government to collect this \$116,000,000 beyond what the cotton would have realized when sold?

Mr. WOODRUM. I think it is generally understood that there will be a loss there and that the Government will take it up. The gentleman would also recall that the last farm bill made loans by the Corporation on cotton, corn, and wheat mandatory; so they come in under that now. If there should continue to be a decline in prices of these commodities, the gentleman can draw on his imagination as to the result.

Mr. CRAWFORD. That is the question I just raised. If Commodity Credit continues to operate during the next 12 months, ending March 31, 1939, and makes up the difference between the prevailing price and parity, I have some rather firm impressions that there will be a potential loss of at least \$1,000,000,000.

Mr. WOODRUM. That statement has been made. I would not undertake to hazard a guess.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. LEWIS of Colorado. There has been some suggestion in the newspapers that the Federal Bureau of Investigation was not being given adequate funds to carry on their work. Does the gentleman feel that the provision made for this Bureau as shown on page 48 of the report is sufficient and adequate to carry on their important work?

Mr. WOODRUM. I am very glad the gentleman raised that question. The deficiency appropriation to which the gentleman refers is, of course, for the rest of this fiscal year. In addition to the \$108,000 carried in this bill, which is a deficiency for 1938, the regular bill made immediately available \$65,000 of their 1939 appropriation to cover a total deficiency of \$173,000 for 1938. All of that, now, is in addition to their regular appropriation in 1938. The gentleman will find by looking at the hearings that the Congress has universally, and, I think, almost without exception, appropriated more money for the Bureau of Investigation than was recommended to it in the annual Budget. There is no disposition whatever on the part of the committee or of the Congress to handicap the Bureau of Investigation.

Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, unforeseen circumstances may rise which would call for a large concentration of force or large activities in one place; for instance, as in the recent kidnaping and extortion cases. The committee suggests to the Department of Justice that there should be provided by the Congress an emergency fund properly safeguarded and put under the control of the Budget, the President, the Attorney General, or someone that might be drawn upon in case of urgency and emergency where it was necessary to incur unusual expense in cases of that kind.

I think we have adequately provided for them and I believe the gentleman will find that the Bureau itself is well pleased with the treatment received from the Congress.

Mr. LEWIS of Colorado. I believe, if I may gage public sentiment, there is no instrumentality of the Government that has been created within recent years that has aroused more favorable, almost universal approval.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. The gentleman feels that the closing of the two stations—Hartford, Conn., and Phoenix, Ariz.—was not due to lack of funds, but for other reasons? I hope it was not due to lack of support by Congress.

Mr. WOODRUM. I do not know why they closed those stations. However, Congress has been in session since November. If there has been any effort on the part of the Department of Justice or the Bureau of Investigation to get funds, they have received them and it has been expedited in every way possible. There has been no disposition on the part of Congress not to adequately provide for that agency.

Mr. MURDOCK of Arizona. I wish to concur in the sentiment expressed by the latest remarks of the gentleman from Colorado [Mr. LEWIS]. Out my way we appreciate the splendid work of this Bureau and recognize its worth.

Mr. MOSER of Pennsylvania. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. MOSER of Pennsylvania. In connection with the gentleman's statement with reference to the Bureau of Investigation, in order to correct a wrong interpretation the newspapers have carried with respect to the attitude of Congress toward the Bureau of Investigation, and they were able to play up a lot of sentiment, I doubt if there is a Member of Congress who did not receive some criticism in regard to the attitude of Congress toward the Bureau of Investigation. I

would like to have the gentleman state now what the Bureau of Investigation stated before the committee with respect to the attitude of Congress toward that agency?

Mr. WOODRUM. The Bureau of Investigation, in the hearings before the committee, had no complaint with reference to the attitude of Congress. It did make complaint about the action of the Budget Bureau. The gentleman will find this very significant statement, and it should be stated in order that there may be perfect understanding, that the Bureau of Investigation used \$200,000 of its 1938 money for the purpose of increasing salaries. This was brought out in the hearings. A part of its deficit or deficiency or shortage of funds is not because Congress has not provided for that agency, but because the Bureau took \$200,000 of its funds and increased salaries. I do not mean to say some of that was not justified—maybe it was—but, after all, it does not lie in the mouth of a department to complain that Congress did not provide, when we have given them the money and they have taken the money and used a large portion of it to increase salaries, which is what happened in this case. The gentleman will find in the hearings that has been cleared up, and there can be no misapprehension about the attitude of Congress toward the Bureau.

Mr. COLE of New York. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from New York.

Mr. COLE of New York. In connection with the naval-expansion program, can the gentleman tell me how many battleships are provided for, if any?

Mr. WOODRUM. Two battleships are provided for.

Mr. COLE of New York. Has the size of these ships been determined?

Mr. WOODRUM. That has not been definitely determined. The gentleman will find in the hearings that the Navy Department has under consideration the question of 35,000-ton ships or 45,000-ton ships. The total cost of the two battleships is to be \$141,700,000, which is the present estimate on the basis of 35,000-ton ships. We gave them \$5,000,000 for the next year to start their construction.

Mr. COLE of New York. Did the Department distinguish as to whether these ships were to be replacement ships or new ships authorized in the new expansion bill?

Mr. WOODRUM. The Department stated they could be either. They could come in as replacement ships or they could probably build them as new ships under the new law.

Mr. COLE of New York. Is it known where these ships will be constructed?

Mr. WOODRUM. As I recall, and the gentleman will find this in the hearings, it was stated that one would be built in a private yard and one in a navy yard, but I do not think the designation has been made.

Mr. COLE of New York. Are there any funds included in the bill for the enlargement of existing facilities for construction?

Mr. WOODRUM. Yes. If the gentleman will refer to page 9 of the report, he will find there a statement, which I will include in my remarks, covering the extension and expansion of facilities at navy yards and the amount carried therefor.

Mr. COLE of New York. All of the navy yards are provided for?

Mr. WOODRUM. Yes. The following table shows, as to ship construction and yard facilities estimated for in connection with this bill, the total estimated cost of each ship, the total estimated cost of facilities at each yard, the estimated cost of the rigid airship, the amount included in the Budget estimate for commencement of work in each instance, and any reduction in the Budget estimates.

	Total estimated cost	Amount included in Budget estimate	Amount included in bill	Increase (+) or decrease (-), amount included compared with estimate
2 battleships (unit cost of \$70-850,000 each if not over 35,000 tons) (Vinson-Trammell Act)	\$141,700,000	\$5,000,000	\$5,000,000	-----
Other vessels (Naval Expansion Act):				
2 light cruisers (\$22,300,000 each)	44,600,000	1,320,000	1,320,000	-----
1 aircraft carrier	44,000,000	1,175,000	-----	-\$1,175,000
1 large seaplane tender	13,680,000	3,215,000	3,215,000	-----
2 small seaplane tenders (\$5,053,000 each)	10,106,000	2,439,000	-----	-2,439,000
1 mine layer	9,988,000	338,000	-----	-338,000
1 mine sweeper	2,543,500	605,000	605,000	-----
1 destroyer tender	13,086,000	615,000	615,000	-----
2 oil tankers (\$6,590,000 each)	13,180,000	1,314,000	1,314,000	-----
2 fleet tugs (\$2,076,000 each)	4,152,000	981,000	981,000	-----
Subtotal (15)	297,035,500	17,002,000	13,050,000	-3,952,000
Experimental vessels (Naval Expansion Act)	15,000,000	4,498,000	3,000,000	-1,498,000
Total for vessels	312,035,500	21,500,000	16,050,000	-5,450,000
Rigid airship (Naval Expansion Act)	3,000,000	500,000	-----	-500,000
Public utilities at yards and stations including machine tools and shop equipment under Bureaus of Construction and Machinery and Engineering (various acts):				
Boston, Mass.	1,602,000	1,417,000	1,417,000	-----
Charleston, S. C.	499,000	499,000	499,000	-----
Mare Island, Calif.	3,310,000	2,290,000	2,290,000	-----
New York, N. Y.	4,642,000	3,180,000	3,180,000	-----
Norfolk, Va.	3,925,000	3,325,000	3,325,000	-----
Philadelphia, Pa.	3,025,000	2,500,000	2,500,000	-----
Portsmouth, N. H.	1,457,000	1,407,000	1,407,000	-----
Puget Sound, Wash.	1,614,000	3,275,000	2,275,000	-1,000,000
Washington, D. C.	2,280,000	1,565,000	1,565,000	-----
San Diego, Calif.	180,000	180,000	180,000	-----
Dahlgren, Va. (proving ground)	122,000	122,000	122,000	-----
Hawthorne, Nev. (storage)	492,000	492,000	492,000	-----
Carderock, Md. (model testing)	500,000	500,000	500,000	-----
Total, yards, etc.	28,174,000	20,752,000	19,752,000	-1,000,000
Grand total, ships, yards, etc.	343,209,500	42,752,000	35,802,000	-6,950,000

¹ The Budget estimates included \$2,000,000 for commencement of construction of a drydock at Puget Sound under a total cost of \$4,500,000, toward which the bill carries \$1,000,000 for starting work.

Mr. RICH. Will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Pennsylvania.

Mr. RICH. I notice that you have for the Department of the Interior for roads on Indian reservations an additional amount of \$2,000,000. The original appropriation for this Department included millions of dollars for roads. What is the idea of increasing that amount? In conjunction with that, let me call the gentleman's attention to the appropriation for the Department of the Interior, roads and trails for the National Park Service, of \$3,000,000. We appropriated millions of dollars for those roads in the parks and an additional amount of \$2,000,000 for the Blue Ridge-Natchez Trace, making a total of \$7,000,000 for roads. I think we have made adequate appropriation for these roads. Why should we increase those appropriations at this time?

Mr. WOODRUM. The appropriations carried in the 1939 bill to which the gentleman refers were the 1938 authorizations. The items the gentleman mentions here, aggregating \$7,000,000, are one-half of the 1939 authorizations.

Mr. RICH. We have already made our appropriation for 1939, and we have not started to spend those funds. Now we are appropriating additional funds.

Mr. WOODRUM. The gentleman should distinguish between authorizations and appropriations. This appropriation, if made, will be part of the amount which Congress has authorized to be appropriated for the fiscal year 1939. The purpose is to do in this instance what we did for Federal-aid highways—expedite to this extent the 1939 authorizations, with the hope that it will stimulate construction activities and furnish employment.

Mr. RICH. The only reason I call this to the gentleman's attention is that during the past several years we have spent an enormous amount of money for roads and trails in the national parks. The annual upkeep of these roads and trails is getting to be a great burden, and the more roads and trails we build the greater will be the burden. I sometimes question whether we are not going too fast in the construction of roads and trails in our national parks because of the burden that will ultimately be placed on our people.

Mr. WOODRUM. Of course that is an argument as to whether or not we ought to do it, but that question has been settled. We already have authorized the construction of these roads and trails. The money is carried here for the purpose of expediting their construction, because, after all, highway construction, as the gentleman knows, is one of the quickest and best methods of employing labor, directly and indirectly.

Mr. RICH. If our method of trying to employ labor were satisfactory that would be one thing, but I sometimes question the advisability of the way we are trying to do these things way ahead of our time by constructing so many roads. The annual upkeep is going to be so high that I wonder if we are not ultimately going to break down the taxpayers of this country in trying to keep them up.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. Has the gentleman from Pennsylvania looked into the income from these roads? Is he aware of the fact that improved highways leading to our natural scenic locations help to keep American money at home? Those who formerly went to the Alps can see in this country scenery of grandeur beyond what the Alps can offer if we furnish them the highways to reach such places in this country, and the revenue will come from that travel.

Mr. RICH. May I call to the gentleman's attention that taking into consideration the amount of revenues we are getting from the National Park Service and the amount of money we are spending, if we were getting anywhere with balancing the Budget, I would agree with him, but the National Park Service is so far in arrears, considering its income and its outgo, that it is not doing what it should do to acquire the amount of income necessary to balance its budget. I may say this for the gentleman that we ought to develop our national resources, but I honestly believe the National Park Service should increase its fees for the benefits our people get in viewing the beauty and grandeur available in our national parks. The traveling public ought to pay a greater portion of this expense instead of taxing the bread and butter of our people to meet the expenses.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I yield myself 5 additional minutes.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Kansas.

Mr. CARLSON. I notice the bill carries an item for over \$500,000 for the purchase of helium plants at Thatcher, Colo., and Dexter, Kans. Is it the purpose of the Department

of the Interior to operate these plants or merely to purchase and hold them?

Mr. WOODRUM. It is the purpose to purchase them and control them, and possibly to operate them, if necessary.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I do not want to impose on the gentleman's time, but at the same time I do not want to misunderstand the gentleman. Does the gentleman mean to say the furloughing of the men in the F. B. I. is due largely to the increase of salaries in that Bureau? I have gone into the records very thoroughly on the question of the F. B. I. situation, and I do not want the Record muddled up here. I do not want to misunderstand the gentleman.

Mr. WOODRUM. The gentleman will find that \$200,000 of the money appropriated for the F. B. I. in 1938 was used to increase salaries. The gentleman can answer his own question. If they had not used that money to increase salaries they would have had it for other purposes.

Mr. CRAWFORD. Does this bill carry an appropriation to provide funds to reinstate the men who have been furloughed on account of the deficit in the F. B. I.?

Mr. WOODRUM. Yes; it does.

Mr. CRAWFORD. All of them will be put back to work?

Mr. WOODRUM. Yes.

Mr. CRAWFORD. Does this appropriation go into the next year's budget of the F. B. I.?

Mr. WOODRUM. No; it does not.

Mr. CRAWFORD. Not a dollar?

Mr. WOODRUM. No.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from California.

Mr. IZAC. I notice on page 96, section 206, the committee has seen fit to place in the bill the restriction against the payment of reenlistment allowances to the enlisted men of the armed services. Will the gentleman inform the House whether that was done at the request of the Budget Bureau or the various departments concerned?

Mr. WOODRUM. It was in the original 1939 budget, as the gentleman may remember, but had not been enacted at this session so estimates were sent up assuming it would be reenacted. In lieu of making the appropriation the committee put the provision in the bill.

Mr. IZAC. I believe all the authorization bills carried the authorization for these reenlistment allowances to be paid. If we retain this provision it simply means we continue for another year the restriction against the payment of a reenlistment allowance.

Mr. WOODRUM. Yes.

Mr. IZAC. I do not believe that is right.

Mr. WOODRUM. I know that is the gentleman's view of it. I do not agree with the gentleman in his conclusions, but that is the situation.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield to the gentleman from California.

Mr. VOORHIS. Will the gentleman explain a little further the \$30,000,000 item for the return to the States of portions of the Federal employers' tax for 1936? I just want to be sure I understand it.

Mr. WOODRUM. Under the unemployment compensation provisions of the Social Security Act there is collected from the employers a Federal unemployment compensation tax.

If a State has an unemployment compensation law approved by the Social Security Board, the employer pays the State tax and gets credit for 90 percent of the Federal tax and pays 10 percent of the Federal tax. In this case the States did not have an approved law in time so their taxpayers paid 100 percent of the Federal tax. This is to return 90 percent to the States now that they have qualified under

the social security system and this money will go into their unemployment funds.

Mr. VOORHIS. That is, if they have not come in, then it is paid back to the States?

Mr. WOODRUM. Yes; for their unemployment fund.

Mr. VOORHIS. If they have come in, then the Federal Government keeps it in trust for the States?

Mr. WOODRUM. Either way it goes to the unemployment funds.

Mr. VOORHIS. But the tax is collected in all States and this is for the year 1936. Will the same situation obtain for 1937?

Mr. WOODRUM. I think they have all qualified now.

Mr. VOORHIS. But if they had not all qualified, then those that had not come in under the Federal program would have had it returned to them?

Mr. WOODRUM. Yes.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. MURDOCK of Arizona. I want to state to the gentleman from California [Mr. Voorhis] that there were several States, perhaps 10 or 12, or more, that failed to set up their collection machinery in time so that many employers in those States were taxed double and this as I understand it, provides a refund for those who have been thus unjustly taxed.

Mr. WOODRUM. I yield the floor, Mr. Chairman.

Mr. TABER. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, including this bill, this Congress will have appropriated by the time the conference reports that are now pending are disposed of and this bill disposed of, the following amounts of money:

Department of Agriculture.....	\$1, 106, 550, 000
District of Columbia.....	49, 392, 000
Independent offices.....	1, 597, 000, 000
Interior Department.....	869, 000, 000
Legislative.....	21, 662, 000
Navy.....	576, 500, 000
State, Justice, Commerce, and Labor.....	132, 000, 000
Treasury-Post Office.....	3, 954, 000, 000
War Department:	
Military.....	\$496, 000, 000
Nonmilitary.....	250, 000, 000
Total.....	746, 000, 000
Relief deficiency.....	250, 000, 000
First deficiency.....	30, 000, 000
Insect control.....	2, 000, 000
Sugar and crop loan resolution.....	74, 000, 000
The alleged relief bill now pending in conference.....	3, 251, 000, 000
Senate amendments to that bill now pending.....	512, 000, 000
Second deficiency bill, now pending here.....	282, 600, 000

Total appropriations for this session of Congress..... 13, 456, 000, 000

It may be \$200,000,000 to \$300,000,000, more or less, depending on the final conference reports.

Now, we have got to consider that probably one-half billion of these appropriations will have been spent by the 30th of June, and, probably, only about \$50,000,000 out of the \$700,000,000 in the Interior bill on the appropriation of \$700,000,000 to the reclamation fund will be spent in the fiscal year 1939.

This means that, probably, there will be available for expenditure in the fiscal year 1939, and it looks as though it is going to be spent, the sum of \$12,500,000,000.

At the present time the revenues are dropping very markedly. The income tax that comes in in March and June of 1939—the last half of the fiscal year—is going to drop off very markedly.

Frankly, I do not see how the revenue, when you consider the drop in social-security taxes and all that sort of thing, can be much more than \$4,500,000,000.

This means we are facing a deficit in the next fiscal year of approximately \$8,000,000,000.

Included in the amount that can be paid out of the Treasury, but not included in these appropriations, is something like \$1,800,000,000 of R. F. C. loans that can be made. So

that they can really go a long way beyond the \$12,500,000,000 in the year 1939 that I have referred to.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman is an authority on Government finances. How many unborn generations' future have we mortgaged right now?

Mr. TABER. If the debts are paid, it will be three generations before the whole thing can be paid.

Mr. KNUTSON. That is assuming that we do not have any more New Deals.

Mr. TABER. We have a long way to go to pay up for the current New Deal.

Mr. BATES. Mr. Chairman, do I understand the gentleman to say that the deficit for the next fiscal year will be \$8,000,000,000?

Mr. TABER. It will be if the present program of expenditure is continued.

Mr. BATES. Is the gentleman giving an explanation of that in his statement to the House?

Mr. TABER. I am giving the details of the appropriations which will be available for expenditure.

Mr. BATES. And the estimated revenue?

Mr. TABER. I am estimating the revenues myself at four and a half billion dollars, which is a drop of about a billion dollars and a half, and I figure that out by the drop in the social-security tax and the customs tax and the income tax below what I believe the revenues are for this year.

Mr. BATES. The statement of the gentleman is so amazing that it prompted me to ask the question.

Mr. TABER. It is a conservative statement when you come to consider that in figuring the appropriations I have not included \$1,800,000,000 that the R. F. C. can loan.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. SNELL. Did I understand the gentleman correctly that he estimates the deficit next year to be \$8,000,000,000?

Mr. TABER. That is correct.

Mr. SNELL. Good Lord! That is worse than I thought anybody could ever make it.

Mr. TABER. The appropriations that are available for expenditure, without including \$1,800,000,000 that the R. F. C. can loan, are twelve and one-half billion dollars. That is a conservative figure.

Mr. BATES. What is the largest deficit in the memory of the gentleman?

Mr. TABER. I recollect no peacetime deficit exceeding \$4,400,000,000.

Mr. BATES. And this will be the record deficit?

Mr. TABER. Yes.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. HARLAN. The gentleman has included the relief authorizations, and all other authorizations for loans, and everything else as though they were expended, as against our revenue; and many of these authorizations will extend over a period of 2½ years, will they not?

Mr. TABER. Very few of them. I want the gentleman to know what he is talking about. I do not like to have him shooting up in the air. I like to have him get down to earth. This is the situation. There is probably, if you stretch your imagination a long way, six or seven, perhaps eight hundred million dollars of the twelve and one-half billion dollars that would not, under normal circumstances be expended out of the P. W. A. money. On the other hand we are facing a deficit estimated by the administration of approximately \$1,000,000,000 to carry relief from the 1st of March or the 1st of February, whichever way you figure it, to the 1st of July. Those two figures will just about offset each other with probably the balance in favor of increased expenditures rather than less. That is the situation that the gentleman is facing. He can work up his imagination into figures that do not agree with that, but he cannot change the fact.

Mr. HARLAN. The gentleman is including all loans as though they were expenditures, and all authorizations as though they were expenditures.

Mr. TABER. I am not. That is not correct. I am not including in this figure \$1,800,000,000 of R. F. C. loans, and I am not including the figures that will not be spent in the course of the year. I am giving only what actually probably will be spent.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. HOLMES. In the gentleman's figures, does he include the United States Housing Authority?

Mr. TABER. That is included, but the gentleman realizes that there is terrible liability on that situation that is not generally understood by the Congress, and has not been fully explained to the committee, where the Housing Authority is now authorized to contract to pay out \$30,000,000 a year for 60 years in a bonus to those people who will construct these buildings on a 100-percent loan, in the picture presented to us now. The Senate bill proposes to increase that authority to \$35,000,000 a year. That is a tremendous liability that must be considered.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. JENKINS of Ohio. That means practically the same as a Resettlement proposition?

Mr. TABER. Certainly. I want to say a word now about this general situation, in respect to the picture that we are facing with reference to the expenditure of public funds, with reference to the employment of our people, with the unemployment higher than in March 1933. We have this picture presented to us. The majority of the House promised agricultural parity with industry. We have arrived at parity, and what is that parity? That parity is that everyone is down; no one can get a job with the exception of those who get it out of the Public Treasury.

No one can sell anything without completely demoralizing the market. We are in a situation of absolute parity with farming, industry, labor, and trading absolutely flat. This is the kind of parity the majority party has delivered in this situation. Oh! they kept their promise. But in this situation what is proposed? Not one constructive step to work this country out of the depression, not one thing that will let us come back here in December with the country in better shape; they propose just a tremendous spending program designed to protect the deficit. This is the only thing they propose to protect.

Cannot the administration, cannot the majority in Congress forget their pride, forget their stubbornness in trying to go along with the wild program of spending and legislation designed to destroy the social security of our workers, designed to destroy the financial integrity of the Government, of the people? Can they not forget that long enough in these last closing days of Congress to stand for some sane, forward-looking, progressive legislation and quit their reactionary and destructive policy?

I am making this appeal to Americans who should be red-blooded, who should be prepared to come out here on the floor and propose to get rid of those destructive agencies that this administration has created, to get rid of the administration's reactionary policy, and look forward progressively instead of backward destructively. [Applause.]

I find myself unable to go along with a lot of items in this bill. I shall describe them briefly and call attention to them. There is the Jefferson Memorial item of \$500,000. It would be a nice thing to give Mr. Jefferson a memorial, but frankly I do not believe in adding to the national debt for that purpose. That would be the last thing that Mr. Jefferson would ask.

In the bill in different places are additional items for roads in addition to those carried in the regular bills which the House has approved, aggregating \$7,000,000 or \$8,000,000. I do not believe these items should be approved.

There are items for reclamation projects of \$725,000. There are items for the Smoky Mountains National Park, \$740,000. There are items for helium, \$537,975, even though it has been demonstrated that helium is not an item necessary for national defense. There are items in the bill for public works in the Navy Department, additions to public works which were not presented to us in the regular Budget for the Navy Department so the Naval subcommittee of the Committee on Appropriations would have opportunity to hold hearings on the items and determine whether to proceed with them or not. Out of sixteen-million-and-odd dollars there are only about \$300,000,000 which can be classed as emergency items and which should come in here in a deficiency bill. I do not believe that any single one of those items is necessary to the prosecution of the naval construction program which is carried in this bill. I believe they could get along perfectly well until the regular committee meets next winter and holds hearings on the items. I believe \$15,-500,000 could be saved here at least.

In the State Department there is an item for \$50,000 for an international committee to go over into the distressed countries in Europe and try to work up some scheme to take care of refugees. This can have only one implication as far as the United States is concerned, and that is approval of letting down the bars on immigration. I do not believe this should be done. I do not believe this item should be approved.

An item is carried for the Commodity Credit Corporation, \$94,000,000 plus. What is the Commodity Credit Corporation doing? They are lending money on cotton to the tune of about 8½ cents a pound when the current market is about 8 cents. This outfit has already executed loans that they have made directly to the extent of 7,000,000 bales of cotton.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 5 additional minutes.

If we replenish this item, that is, the capital stock of the Commodity Credit Corporation, they will go ahead with this same sort of thing and I believe they will have 10,000,000 to 12,000,000 bales of cotton which they will have loans on and which will be absolutely unmarketable. As a result of this policy of the administration we have lost the biggest part of our foreign cotton market. The 7,000,000 bales now on hand and the 10,000,000 to 12,000,000 bales that will be on hand is a continual menace to the cotton situation and the cotton crop. You Members from cotton States are killing off your own industry when you vote to support this proposition.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KNUTSON. Has the gentleman seen the figures on the imports of cotton in the last 12 months?

Mr. TABER. Not currently within a few days; no.

Mr. KNUTSON. They are within 12,000,000 of last year and increasing right along.

Mr. TABER. In other words, we have no duty on cotton.

We have no method of getting rid of and disposing of the cotton that is in the hands of the Government. We are losing our foreign market to Brazil and other countries to the tune of a couple of million bales a year.

Mr. KNUTSON. The gentleman is right.

Mr. TABER. We are also losing our domestic market.

Mr. KNUTSON. The administration's cotton policy is on all fours with the Hoover Farm Board policy that was so bitterly denounced by the Democrats in the campaign of 1932?

Mr. TABER. Only it is worse.

Mr. KNUTSON. Of course, we could not make it as bad as that if we tried.

Mr. TABER. That would be absolutely impossible.

Then, in connection with the War Department and the Social Security Board buildings, we have \$3,000,000 apiece. I do not believe it is necessary to go ahead with these buildings at the present time. This means spending close to

\$20,000,000 before we get through. I believe we can get along without it.

Mr. Chairman, the social-security tax is one of the great menaces to the return of industrial employment today. The social security, unemployment, and old-age tax is preventing increased employment, and that situation is not going to continue forever. At the present time you are collecting in unemployment insurance, at a time when unemployment is as high as it probably ever will be in our history, just about double what we can pay out. In view of that fact, it is apparent the whole set-up is cock-eyed and must be revised and trimmed off.

The other end of it is absolutely ridiculous. The result will be that the Social Security outfit is going to be very much modified in the course of the next few years. Therefore I can see no sense in spending a lot of money constructing a building for that agency.

Let me refer to the War Department for a moment. If they would take activities out of the War Department building that really should not be in that building, and if we would build a storage warehouse to take care of the various files that are not used very much, where they could be reached and used occasionally, we could, with a very moderate sum of money, take care of these needs. The real active operations of the War Department could be taken care of in the present Munitions Building.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, as some of these items are reached I propose to offer amendments which I hope will be adopted and which I hope will result in some saving for the Treasury of the United States.

Mr. LUCKEY of Nebraska. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. LUCKEY of Nebraska. Could the gentleman give us the figures as to the amount allocated from relief funds for Army, Navy, and military purposes?

Mr. TABER. In the past?

Mr. LUCKEY of Nebraska. Yes.

Mr. TABER. No. It is my recollection that that figure would be around five or six hundred million dollars. It may be more, but I am pretty certain it will be that much.

Mr. LUCKEY of Nebraska. I wonder if the gentleman would insert those figures in the RECORD.

Mr. TABER. I think I can get them.

Mr. LUCKEY of Nebraska. I thank the gentleman.

Mr. TABER. The reported allotments from relief funds to October 31, 1937, to the Army and Navy are as follows:

To the Army.....	\$144,417,235.24
To the Navy.....	357,915,028.58
Total.....	502,332,263.82

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, on June 12, 1934, President Roosevelt approved the act to amend the Tariff Act of 1930, which authorized the negotiation of reciprocal trade agreements between the United States and other countries. The purpose of the act was to bring about the reduction of excessive trade barriers clogging the channels of world trade and thereby to restore our foreign trade to the level necessary for the economic well-being of American agriculture and industry.

Two years ago I addressed the House on the subject of Two Years of Reciprocity. On that occasion I discussed the background of the act and the progress of the trade-agreements program under it in the first 2 years of its operation. Now, I should like to add to that statement the record of the 2 years just passed.

I was convinced when I voted for the Trade Agreements Act that it was one of the most constructive and valuable pieces of legislation ever enacted by the Congress. It offered an opportunity for the readjustment of our excessively high

tariffs on a more scientific basis and the means of restoring our decreased foreign markets.

Moreover, I was convinced that with the ever-increasing complexity of our economic system the Congress cannot deal successfully with the tariff by the method employed in the past. Usually every few years our entire tariff structure, with its thousands of rates, was subjected to revision by Congress. Under pressure from many sources, it was forced to conclude the Herculean task within the space of a few months. In the end we had a more or less hodgepodge result, reflecting the desires of vociferous minorities at the expense of exporters, agriculture, most of our industries, and of consumers generally. That method might have been good enough in the early days of our development, but today it would be woefully inadequate. Members of Congress, with their many other duties, simply cannot be expected to legislate intelligently on thousands of individual tariff rates. We have not the time to seek out the many facts which ought to be considered; nor do the circumstances in which we must do our work facilitate impartiality and objectivity. In such circumstances the national interest was frequently lost sight of.

In the Trade Agreements Act we in Congress laid down a policy with respect to the tariff but delegated to the executive branch of the Government authority to fix individual rates in accordance with this policy and within limits which were strictly defined. I believe that this method of handling the tariff problem is infinitely superior to the old method, and I sincerely hope that we will never go back to the old method.

In 1937, when the act was up for renewal, I was even more firmly convinced of the merits of modern tariff making from the national viewpoint. And this year, after 4 years of "reciprocal trading" under the act, I believe it has justified the highest expectations of those who favored it. It has brought great benefits to our domestic trade, agriculture, and industry, and to every section of the Nation. Moreover, I consider that the trade-agreements program is the most significant and constructive contribution to world economic stability that is being made in the world today.

The story of the rise of trade barriers of every sort, the resultant collapse of world trade, and the disastrous effects of these occurrences on the economic system of the United States and other countries is an old one; we are all familiar with it. The United States, through its embargo tariff policy, helped to set in motion and to accentuate the forces that led to the collapse of our own and world commerce. As foreign nations added quotas, exchange controls, and other modern devices to their tariff walls, our own exports declined with fearsome rapidity and disastrous results. From more than \$5,000,000,000 in 1929, they dropped to one and one-half billion dollars in 1932, affecting every economic group of our Nation—capital and labor, farms and factories, banks, railroads, and shipping. Some action on our part to reverse this trend was imperative.

Such action was taken by Congress in the early part of 1934 in the Trade Agreements Act. The act is administered, under the general direction of the Secretary of State and the President, by a closely coordinated organization of permanent officials of the Government experienced in the field of trade and tariffs. These officials are drawn from the Departments of State, Commerce, and Agriculture, the Tariff Commission, the Treasury Department, and other departments and agencies. Operating in committees, they devote months of painstaking work to the study of all of the information available in the Government Departments and submitted by private persons before formulating the recommendations on individual products which subsequently form the subject of the negotiations. Before any recommendations as to the concessions to be given and received in any proposed trade agreement are made to the President, two public announcements are issued and all interested persons are given full opportunity to present their views in written form as well as at public hearings. The procedure

actually followed goes even beyond the requirements which we laid down in the Trade Agreements Act. There can be no legitimate claims that a full hearing is not granted to all.

NUMBER OF AGREEMENTS

Four trade agreements were signed in 1934 and 1935—with Cuba, Belgium, Haiti, and Sweden. Agreements with 13 more countries have since been concluded, namely, with Brazil, Colombia, Canada, Honduras, the Netherlands, Switzerland, Nicaragua, Guatemala, France, Finland, Costa Rica, El Salvador, and Czechoslovakia, making a total of 17 now in force. Together these 17 countries in 1937 bought nearly 40 percent of our exports, and from them we bought nearly 40 percent of our imports.

Negotiations are also under way at present for agreements with Ecuador, Turkey, and the United Kingdom, including Newfoundland and the British Colonial Empire, and for a new agreement with Canada. Announcement that negotiations are contemplated has been made in the case of Venezuela. Conclusion of agreements with these countries would bring the share of our total foreign trade conducted with countries with which agreements have been made to approximately 60 percent.

THE RESULTS OF THE PROGRAM

The real test of the trade-agreements program is not alone in the number of agreements made or in the amount of our trade which they cover, but in the effects which they are having on our trade. The facts are significant and encouraging. In 1937 our exports had risen to \$3,295,000,000 and our imports to \$3,012,000,000, a total of \$6,307,000,000, compared to \$2,899,000,000 in 1932. Of course, not all of this improvement was due to trade agreements. No sensible person would make that claim. Imports of certain agricultural products were stimulated by severe drought conditions in the United States; others were stimulated by increased economic activity in 1936 and 1937 over the extreme depression years. Exports were larger in part because of improved economic conditions in other countries. But the really significant point in the statistics is that our exports to trade-agreement countries increased by 41 percent in 1937 over 1936, while our exports to the countries with which we had no agreements increased by only 34 percent, indicating that trade agreements have been a powerful factor influencing the rise of our export trade.

RECIPROCITY AND AGRICULTURE

In every agreement made, important concessions have been secured for American farm products. For example, 16 countries have granted us concessions on one form or other of American meat and meat products. In all of the 17 agreements concessions have been obtained on American fruits, and in all but one there are concessions on many kinds of vegetables. Several countries have given us concessions on leaf tobacco. Nine countries have given us concessions on various dairy products, including butter and cheese, although we hear little about those concessions from the groups receiving the benefit. Reductions of duties and guaranties against duty increases or to maintain free entry have also been obtained on numerous other agricultural products, including raw cotton, wheat, wheat flour, rice, and many other cereal products and vegetable oils. These concessions include reductions in foreign duties by as much as 50 or 60 percent, and some even provide for the complete removal of duties. In other cases quotas and other barriers have been extensively liberalized.

The trade statistics confirm the value of these concessions. Our exports of agricultural products in 1937 were almost \$90,000,000, or 12 percent greater than in 1936, and during the first 4 months of 1938 exports of agricultural products were \$66,000,000 greater in value than in the same period of 1937, an increase of 29 percent. In 1937, as compared with 1935, a year during which only one agreement was in effect for the entire period, agricultural exports to the 16 countries with which agreements were in effect for all or part of 1937 were 40 percent greater, while agricultural exports to all other countries were 4 percent smaller.

RECIPROCITY AND INDUSTRY

Practically all branches of our industry have received substantial benefits in the agreements so far concluded. To mention only a few: In 16 agreements we secured concessions on tires and tubes and in 12 on other rubber manufactures; concessions on various kinds of cotton textiles and manufactures were secured in 10 agreements; on silk and rayon manufactures in 9 agreements; on wool apparel in 5 agreements; on wood and wood manufactures in 10 agreements; and on paper and manufactures in 6 agreements; on various petroleum products in 7 agreements; on glass and on refined copper in 4 agreements; on various iron and steel products in 7 agreements; on agricultural machinery (including tractors) in 9 agreements; on industrial machinery in 12 agreements; on electrical refrigerators in 8 agreements; on radio, telephone, and telegraph apparatus in 11 agreements; on office machinery in 13 agreements; on motor vehicles in 14 agreements; and on various drugs and chemicals in 12 agreements.

Such an extensive improvement of trade conditions is bound to affect favorably the volume of our exports of industrial products. The statistics show that our exports of non-agricultural products rose from \$1,496,000,000 in 1935 to \$2,500,000,000 in 1937, an increase of more than a billion dollars, and more than one and one-half billion dollars above the low figure of \$914,000,000 in 1932.

The table below shows exports to all countries of the leading groups of commodities which include products in respect of which foreign treatment has been improved as a result of trade agreements.

United States exports of certain principal commodity groups, 1935 and 1937

[Value in thousands of dollars]

	1935	1937	Increase
Rubber and manufactures.....	22,147	32,084	9,937
Cotton manufactures.....	29,678	43,646	13,968
Wool manufactures.....	1,570	1,996	426
Silk manufactures.....	5,605	7,117	1,512
Rayon and other synthetic textiles.....	4,967	10,447	5,480
Wood sawmill products.....	41,103	53,703	12,600
Wood manufactures.....	14,234	20,240	6,006
Paper and manufactures.....	20,519	31,088	10,569
Glass and glass products.....	7,410	9,784	2,374
Iron and steel semimanufactures.....	60,323	231,967	171,644
Steel-mill manufactures.....	28,082	67,935	39,853
Iron and steel advanced manufactures.....	31,192	52,074	20,882
Electrical machinery and apparatus.....	76,088	112,009	36,521
Industrial machinery.....	121,784	240,450	118,666
Office appliances.....	27,039	37,523	10,484
Agricultural machinery.....	32,040	75,366	43,326
Automobiles and other vehicles.....	255,514	409,896	154,382
Medicinal and pharmaceutical preparations.....	12,199	17,979	5,780
Chemical specialties.....	12,867	27,526	14,659
Industrial chemicals.....	23,628	27,505	3,877

RECIPROCITY AND GENERAL PROSPERITY

Naturally every section does not benefit to the same degree from each trade agreement. Trade agreements with agricultural countries offer mainly enlarged export opportunities for our typical industrial products. Industrialized countries generally offer enlarged export markets for our typical agricultural products. But our agriculture cannot be prosperous without the prosperity of industry—nor can industry prosper when agriculture is depressed. The economic interests of our agricultural regions and our industrial regions are interdependent, and the concessions we obtain for agriculture therefore prove beneficial to industry, and vice versa. I should like to mention briefly specific instances in which various geographical regions have benefited.

TRADE AGREEMENTS AND NEW ENGLAND

Some criticism of the trade-agreements program has come from New England. Yet from the trade agreements already concluded New England has profited greatly through increased outlets for her products, both at home and abroad. The export trade of New England dropped from about \$200,000,000 in 1929 to \$57,000,000 in 1932, and the distress resulting from the decline was shared by the railroads, banks, insurance companies, trucking concerns, warehouses, and the thousands of workers dependent upon them, as well as by the producers of New England themselves.

Under the trade-agreements program concessions have been secured with regard to many of New England's industries, such as leather and leather footwear, hardware, machinery, paper, and textiles. Exports from the Customs District of Maine and New Hampshire were valued at \$14,000,000 in 1937, compared to \$9,000,000 in 1936 and about three and one-half million in 1932. Exports from the customs district of Massachusetts were valued at \$28,000,000 in 1937, as compared to \$19,000,000 in 1936. The benefits to New England from our increased trade under the trade-agreements program are substantial.

The benefits of the program, of course, are not limited to direct concessions secured for distinctively New England products. Increased exports from every other section of the country mean increased purchasing power throughout the United States and increased American markets for New England products. For example, when the South is prosperous through the sale of her cotton, tobacco, rice, fruits, and other products, that section is able to purchase more New England shoes.

The negotiation of the trade agreement with Czechoslovakia was the occasion for violent and unjustified agitation against the program in New England. The workers in the shoe factories particularly were told that an agreement with Czechoslovakia would mean the closing of their factories and the loss of their jobs. Actually, of course, it meant nothing of the sort. The agreement virtually assures American shoe producers continued enjoyment of 98 3/4 percent of the American market.

The Boston Herald on March 9, 1938, summed up the situation with regard to the effects of the agreement:

We can simply conclude that most of the distressful remarks from Washington and local territory are made for political effect, without a careful study of the facts, the figures, and the past of shoemaking here and abroad. * * * The hardheaded manufacturers will take a more encouraging view of their own abilities and their industry than most of the politicians seem to have. The manufacturers were afraid that the duty on a certain type of shoes would be lowered. It remains unchanged. They wondered whether the Czechoslovakian shoes would be dumped on us in a huge volume. They will not be. * * * Moreover, there are carefully drawn provisions for preventing any disastrous developments.

Probably our textile manufacturers, who are concerned now about the pending Anglo-American treaty, will be delighted if their interests are safeguarded as intelligently as those of the shoe manufacturers. * * * If New England fares as well hereafter as it has in this latest pact, there should be little complaint.

TRADE AGREEMENTS AND THE SOUTH

The people of the South are keenly aware of their stake in foreign trade, for they must normally sell abroad at least one-half of their cotton crop, one-third of their leaf tobacco, one-half of their naval stores, and large quantities of southern-pine lumber, rice, citrus fruits, apples, and many other products. In fact, in the great decline in our trade in the early thirties the South suffered more severely than any other section of the country. For example, between 1929 and 1932 exports of raw cotton declined in value by 55 percent, leaf tobacco by 55 percent, naval stores by nearly two-thirds, and sawmill products by 76 percent. Shipping, port activities, railroads, and banks were also hard hit.

The many concessions secured for southern export products are too numerous to mention here. Most countries do not place direct trade restrictions on cotton, but seven countries have guaranteed to continue their present favorable treatment of raw cotton, the South's most important product. Furthermore, as trade agreements lead to increased trade, the people of foreign countries have increased purchasing power with which to buy more American cotton and use more cotton goods made from American cotton.

Better treatment in foreign markets has also been secured for cottonseed oil and cake, cotton textiles, tobacco, citrus fruits, fresh fruits and nuts, turpentine, rosin, phosphate rock, lumber, and timber. In 1937 exports from the several customs districts of the South Atlantic region had risen to \$310,000,000 from \$220,000,000 in 1935 and from a low of \$130,000,000 in 1932. Exports from the Gulf coast customs districts rose to \$658,000,000 in 1937, from \$534,000,000 in 1935, and from \$467,000,000 in 1932.

The Asheville (N. C.) Citizen expressed the attitude of intelligent southern opinion in a recent editorial:

There is perhaps no economic principle more valued than the axiom that "we pay for our imports with our exports." In other words, the laws of economics require the seller to accept the purchaser's goods if he would trade with him. We must buy in the world market in order to sell. Secretary Hull, of course, realizes this, and it is the keystone of his whole program. As such it must always command the support of wide-awake Americans.

TRADE AGREEMENTS AND THE MIDWEST

Our Midwestern States are no less dependent on foreign trade than are the coastal regions of the East, South, and West. The Midwest raises an enormous amount of agricultural products and produces an enormous quantity of manufactured goods for export. To the Corn Belt States, foreign markets are of great significance, for most of the corn raised there is consumed on the farms and is marketed in the form of livestock. Midwestern packing houses convert the livestock into meat products and animal fats and oils. United States exports of meat products average over 425,000,000 pounds annually during 1926-30, and during the same period exports of edible animal fats and oils, lard, tallow, stearin, oleo oil, and so forth, averaged more than 843,000,000 pounds. Lard exports in these years were equivalent to about one-third of the total annual production. Reducing exports of animal products to terms of the corn used in production, about 1 out of every 7 acres harvested during this period was required for export purposes. Other agricultural products of the Midwest, such as wheat and wheat flour, condensed and evaporated milk, and fruits and vegetables, are also exported in large quantities.

The manufactures of the Midwest are of equally great importance. The production of automobiles, farm and industrial machinery, machine tools, furniture and household equipment is heavily concentrated in the Midwest, and the ratio of exports to production runs as high as 23 percent for agricultural equipment and business machines, 36 to 38 percent for typewriters and tractors, and over 50 percent for motorcycles.

With such a striking dependence on export markets, it is apparent that the Midwest must have suffered greatly from the decline in foreign trade. In fact, the statistics show that in every one of the North Central States, except Kansas, the export decline from 1929 to 1932 was relatively greater than for the United States as a whole. The share of the North Central region in the total export trade of the country fell from 24 percent in 1929 to 14 percent in 1932. This involved a violent dislocation to an economy whose farm-crop acreage, livestock supplies, industrial capacity, and employment had been adjusted to the 1920's proportion of export trade.

Some indication has previously been given of the concessions secured in trade agreements for the benefit of Midwestern products. Sixteen countries gave us concessions on some form or other of American meat and meat products. Canada made duty reductions of from 12 to 65 percent on fresh meats, bacon, ham, lard, canned meats, extracts, and other meat products. Following the reduction of 65 percent in the duty on hams, shoulders, and bacon, Canada increased its purchases of our pork products by 49 percent in 1937 over 1935, the year before the agreement went into force. This in the face of the shortage of meat products resulting from the drought of 1936.

Our agricultural exports to Cuba more than doubled during the first year of the agreement. Cuba once ranked as the third outlet for our lard, after the United Kingdom and Germany, but its purchases fell from 80,000,000 pounds in 1929 to 11,000,000 pounds in 1933. The Cuban lard duty was reduced by more than 80 percent in the trade agreement, and since then Cuban purchases of our lard have steadily increased, amounting to 41,000,000 pounds in 1937. Numerous other examples of significant increases in our exports of specific commodities as a direct result of concessions in trade agreements could be cited. They extend to almost all the agricultural products of the Midwest.

In spite of these obvious benefits, recent increases in our imports of certain agricultural products are often seized upon in an attempt to convince our farmers that the trade-agreements program is injuring them. As a matter of fact, the influence of duty reductions made in trade agreements on agricultural products imported into the United States is decidedly minor. The increase in such imports in 1937 is accounted for very largely by the drought of 1936, resulting in larger imports of feedstuffs to supplement the very unusual domestic shortages, and by economic recovery which resulted in a greatly increased demand for imported raw materials. Excluding sugar, imports of which are strictly limited by quotas, the only principal item on which the duty has been reduced, only about 4 percent of our agricultural imports in 1937 consisted of reduced-duty items.

It is significant that in the first 4 months of 1938 agricultural exports were 29 percent greater in value than during the same period of 1937, a continuation of the steady improvement of export trade since 1934; agricultural imports were 44 percent lower, a continuation of the downward trend of agricultural imports that set in during the summer of 1937.

The Milwaukee Journal in a recent editorial commented as follows on agricultural imports and the Canadian trade agreement:

When the reciprocal-trade agreement with Canada was published, protest from Wisconsin and other States on the Canadian border was tremendous. Our farmers were being "sold down the river" for the benefit of Canadian farmers. That the imports of farm products were limited by quota was forgotten. But when the year 1937 had ended, a perspective was given. Our foreign trade had improved; the Nation had the much-coveted "favorable balance." As for farm products, our purchases from Canada were negligible. We had bought a third of the quota of milk cows, less than one-tenth of the quota of cream.

The industrial products of the Midwest are finding ever-increasing foreign outlets through our trade agreements. Exports of automotive products have increased from \$155,000,000 in 1935 to \$410,000,000 in 1937, concessions having been secured on such products in 14 of the 17 agreements. Exports of industrial machinery more than doubled, totaling \$122,000,000 in 1935 and \$240,000,000 in 1937. Agricultural machinery exports increased from \$32,000,000 in 1935 to \$75,000,000 in 1937. Rubber manufactures to the value of \$22,000,000 were exported in 1935 and these increased to \$32,000,000 in 1937.

RECIPROCITY AND OHIO

Of course, I have been especially interested in the benefits my own State of Ohio is receiving from trade agreements just as I have had to answer inquiries regarding increased imports. Looking over the figures just cited and considering that Ohio's leading industries are the automotive, rubber tire, and iron and steel industries, including machinery, and considering also the valuable concessions which have been obtained on many important agricultural products such as corn, apples, meat and dairy products, fresh and canned vegetables, and dried fruits, I think it is amply demonstrated that my State, like the whole of the Midwest, is being materially benefited by the trade-agreements program.

Another midwestern paper, the Evansville (Ind.) Courier, recently commented editorially on the program:

Certain interests are taking advantage of New Deal reverses and loss in prestige to start blasting away at the Hull trade policies. This is a senseless thing to do. The Hull policies represent sound and far-sighted statesmanship, and that is the only thing which can bring about a restoration of sanity in a mad world. These trade policies are the sanest thing about the so-called New Deal. They are, in reality, nothing more, nothing less, than old-fashioned Jeffersonian economic and political liberalism.

TRADE AGREEMENTS AND THE ROCKY MOUNTAIN STATES

The Rocky Mountain States—Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, and Nevada—are not primarily exporting States; but since many of their products are sent to other parts of the United States for manufacture into articles which are sold abroad, the decline in our export trade during the depression years had serious economic repercussions on them.

The mineral industries, particularly production of the non-ferrous metals—copper, lead, zinc, and their alloys—are important in all the Rocky Mountain States, and tangible benefits have been obtained for them in trade agreements. Concessions on copper and copper manufactures have been secured in seven agreements. Cuba, Canada, and France reduced their duties on lead and products; and Cuba, Canada, France, and the Netherlands gave us concessions on zinc products. But probably the indirect benefits received from trade agreements are of even greater importance. For example, 60 percent of the domestic production of refined copper is consumed by our automobile, electrical, radio, and wire industries. The concessions we obtained on radio, telephone, and telegraph apparatus in 11 agreements, on motor vehicles in 14 agreements, and on industrial machinery in 12 agreements are resulting in increased exports of these manufactures, and consequently in increased demand for the mineral products of the West, especially of copper, which go into so many manufactured articles. Production of refined copper in the United States increased from 466,000,000 pounds in 1934 to 1,291,000,000 pounds in 1936.

It was not mere coincidence that the cash farm income of the Rocky Mountain States rose from \$439,000,000 in 1936 to \$505,000,000 in 1937, while our foreign trade was increasing from four and eight-tenths billion dollars to six and three-tenths billion dollars. The increase in our foreign trade not only meant increased sales to foreign countries but resulted in a greater demand for domestic raw materials for use in the manufacture of export products and in increased purchasing power in the United States. These factors contributed materially to the rise in the cash incomes of the farmers and industries of the Rocky Mountain area.

The following expression of the local attitude toward the program is quoted from an editorial appearing in the Salt Lake City Tribune:

From the American point of view, as from the standpoint of most democracies, world peace can be best promoted by removing the existing barriers to international trade. In a world that is so specialized industrially and so interdependent economically, it would seem obvious that, instead of each nation trying to become self-sufficient, it would be much better all around if there were a mutually profitable exchange of goods and services. It is to the promotion of this latter policy that Secretary of State Cordell Hull has devoted much commendable leadership of late.

TRADE AGREEMENTS AND THE WEST COAST

The trade-agreements program is of vital importance to the western coastal States—California, Oregon, and Washington. Exports from these three States alone fell from \$577,000,000 in 1929 to \$200,000,000 in 1932. Not only did this trade decline seriously affect the local industries dependent on export markets, but the activity of the great ports of San Francisco, Los Angeles, Seattle, and Portland was drastically curtailed. By 1937, exports from the several customs districts of California, Oregon, and Washington had risen to \$401,000,000. Even opponents of the program admit that trade agreements contributed substantially to this rise.

Among the most important products of the Pacific area are fruits and vegetables, exported in fresh, dried, or canned form. In 1929 total exports of these products were valued at \$162,000,000, and of that total California exported approximately one-third, or \$53,000,000. Washington, one of the great apple-producing centers of the country, and Oregon, also a leading producer of many kinds of fruits, suffered along with California when exports fell to \$85,000,000 in 1932. In every one of the 17 trade agreements concessions were secured on various canned fruits; in 16 of the 17 there were concessions on fresh apples, pears, and other fresh fruits; all of the 17 agreement countries except Brazil granted us concessions on dried fruits. Reductions in duty on citrus fruits, or assurances against duty increases, have been obtained in 10 of the 17 agreements. To mention only a few specific instances of increased trade as a result of these concessions: Canadian imports of fresh fruits from the United States totaled \$6,672,000 in 1936, the first year dur-

ing which the agreement was in effect, as compared with \$5,095,000 in 1935. Prunes and raisins imported into France from the United States showed a gain of almost \$500,000 in the first year of the agreement with that country. Switzerland took 800,000 pounds more of dried fruits in 1937 than in 1935.

The canned salmon and sardine industries are also of great importance to the west coast area, a considerable part of the domestic production being exported. Concessions on canned salmon have been obtained in 12 agreements, and on canned sardines in 11 agreements.

Washington is the leading producer of lumber and leads in the exportation of sawmill products; California and Oregon also have great lumber industries. The concessions obtained on unmanufactured lumber and timber in nine of our trade agreements helped in some measure to give us the gain of \$14,285,000 in our exports of lumber and timber in 1937 as compared with 1935.

The manufacturing industries of the Pacific area have also received important benefits. For example, California's exports of petroleum products declined by 56 percent from 1929 to 1932, but in 1937 our total exports were nearly as high as in 1930. Nine countries have given us concessions on petroleum products in trade agreements. The Pacific States are also important exporters of machinery, automotive products, and rubber tires, on all of which concessions have been obtained, and exports of these products have increased strikingly, as previously mentioned.

It has become apparent to the people of the Pacific States that the trade-agreements program is bringing them tangible benefits in the form of greater markets for their export industries and renewed activity for their ports and ships. The able representatives of those States have themselves dwelt at length on these benefits.

SUPPORT OF THE PROGRAM

With such extensive benefits to all sections of the Nation and to all phases of our national economy, accruing from the trade-agreements program, it is inevitable that the program should receive the ever-increasing and enthusiastic support of clear-thinking citizens and leading trade organizations.

As an indication of the extent of general public support, a recent poll by the American Institute of Public Opinion showed that 75 percent of the people of the United States favor the continuation of the program by the reciprocal reduction of tariff barriers in the proposed trade agreement with the United Kingdom.

Many industrial and trade organizations are strongly in favor of the program. As indicative of the general attitude of American industry there might be cited a resolution of the United States Chamber of Commerce, adopted on May 5, 1938, which states:

The negotiation of reciprocal-trade agreements to the extent that they are concluded without causing destructive competition for American agriculture and industry, is a long step toward enlargement of American export trade and toward international acceptance of more reasonable commercial policies.

From the many important American organizations for the promotion of world peace, the trade-agreements program receives some of its most enthusiastic support. The National Peace Conference, composed of some 40 such organizations, in March of this year adopted the following recommendation to its member organizations:

We recommend emphatic wholehearted support of the reciprocal-trade agreements program of Secretary Hull. This is the unfinished business of America's effort toward international economic well-being and peace. It should be continued along the lines already so ably marked out.

The Conference on the Cause and Cure of War, at a meeting in Washington in January 1938, also recommended that its member organizations support the program. Among those organizations which have endorsed the program are the General Federation of Women's Clubs, the National Board of the Young Women's Christian Association, the

National Council of Jewish Women, the National League of Women Voters, and the National Women's Trade Union League.

In addition to these the program has received widespread approval from economists, journalists, and many prominent citizens. One of the most noteworthy developments in this connection was the organization some months ago of the economic policy committee, a nonpartisan organization with headquarters in Des Moines, Iowa. According to a statement of the committee, it "represents a cross section of American life. It includes liberals and conservatives, farm, labor, industrial, commercial, and financial leaders; economists, political scientists, and educators; members of various religious faiths." The committee's purpose is stated as follows:

Believing in the principles enunciated by Secretary of State Cordell Hull, the committee will promote discussion throughout the country of the bearing of international economic relationships upon our domestic prosperity, and the vital connection between such relations and the preservation of the peace of the world.

Such a program of public education in matters relating to our foreign trade and commercial policy is most commendable, for only with the support of an enlightened public opinion can the trade-agreements program and America's liberal commercial policy be fully developed and expanded.

The imperative need of our Nation is for higher living standards, and ever-increasing and less restricted trade. The imperative need of the world is for a removal of excessive trade barriers and the reduction to a minimum of economic friction between nations. The American trade-agreements program is a well-considered effort to accomplish both. By increasing American trade it is proving its worth in dollars and cents to American agriculture and industry. By fostering a general and world-wide reduction of excessive trade barriers, it is America's principal contribution to a more stable economic system.

There are, however, some very recent developments in connection with our reciprocity and the tariff situation that I think may be of interest to the Members of the House, and particularly to those dairy interests which have been raising a considerable commotion here in reference to dairy and agricultural imports. You will recall that in the spring of 1937 when we closely approximated the most prosperous year in the history of our country, our imports began to exceed our exports. There was a terrific commotion in this House, especially on the part of those interested in butter and cattle, because of the fact that while they were more prosperous than they had ever been before, there was still some cattle, butter, and cheese being imported into the United States. I have not the figures on cheese for that year, but for butter and cattle there were six one-hundredths of 1 percent of our domestic production of butter imported and there was six-tenths of 1 percent of our domestic production of cattle imported during 1937. Those insignificant imports at the time of our greatest prosperity occasioned more oratory in this Well than any other subject.

For the consolation of the people who made those speeches, let it be known that the figures for the last 4 months have just been released and there have been practically no dairy or meat imports during the last 4 months.

Mr. FLETCHER. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Ohio.

Mr. FLETCHER. Is it not true that nearly all the speeches made on the subject the gentleman is discussing have been made by speakers who included 1936, 1935, and 1934, none of them including the recent reports?

Mr. HARLAN. No; and there is this other fact that I wish the gentlemen on this side who may be called upon to meet the question in the ensuing election will notice, that all of the import figures that have been put in the RECORD by opponents of the reciprocity treaties have compared 1937 with 1932; in other words, they have compared a period of pros-

perity with a period of deepest depression. If the ordinary voter would analyze that kind of an argument, he would say, "If these small imports in 1932 brought us the conditions we had in 1932, and if the larger imports in 1937 contributed to the conditions we had in 1937, then let us have plenty of imports." However, that is not the way they will argue, in all probability, otherwise this effort to create all this confusion would not exist.

To compare the first 4 months of 1938 with the first 4 months of 1937, we find that in 1937, when we were in our period of highest prosperity, we had an unfavorable trade balance of \$131,000,000; but in the period of depression into which we are now entering, we have had a favorable balance of trade of \$445,000,000. In other words, our imports are very nearly disappearing; but our export business, thanks to the reciprocity treaties, is the most prosperous business we have in this country. It is cushioning the decline. The only tragic thing about it is that just as certain as you gentlemen are sitting here this afternoon, with the decline of these imports we are going to have a crash in our export market, and it has already begun to show its effect. Other countries are contemplating exchange controls and other obstacles to stop the increased buying of American produce, while they are unable to sell us anything at all.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Has it occurred to the gentleman that one reason imports have dropped so materially is that the American people are broke?

Mr. HARLAN. That is true; our demand has gone down, and this is why we are buying less; but if the gentleman's argument were good that imports are an evil and ought to be cut off, the fact they are cut off ought to contribute to our prosperity right now. That would be a logical argument, it seems to me.

The gentleman from New York [Mr. TABER] commented a short while ago on our loss of the German cotton market and placed the blame on our crop-control activity. I am not here in a position to argue that the cotton-control activity might not have had some effect on the loss of that market, but what caused the loss of the German cotton market to America was the fact that we would not buy from Germany the things that were necessary to pay for the cotton, so Germany began to buy her cotton from Brazil, where she could sell in order to pay for the cotton. There is no question that the dictatorship countries of Europe are outstripping the democratic countries in the South American trade, because there is a mutuality of trade there which does not exist between us and the South American countries.

Mr. KNUTSON. Could the gentleman inform the House what dictatorship countries are buying competitive products in any quantities at the present time, or at any time?

Mr. HARLAN. The dictatorship countries for the most part are on a strong nationalistic basis. They are buying where they can sell, and selling where they buy.

Mr. KNUTSON. But they are not buying anything that they can purchase at home. Is not that a fact?

Mr. HARLAN. To a very large extent, but may I say to the gentleman that when Germany was prosperous, before she was under a dictatorship, she had a very large unfavorable balance of trade, and now that she is down and out, rationing her food supplies, and is about to cut down her bread ration—she has already cut down her butter ration—she has a favorable balance of trade. You dairy producers in this country who howled about losing six-tenths of 1 percent of the market to the foreign importer will find you are going to lose a much greater amount of the domestic market because there will not be a domestic market.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Do I understand the gentleman to say he has information to the effect that the trade-agreement

countries with which we have been doing business are now scheming ways to boycott our goods because our imports from such countries have fallen so rapidly in recent months?

Mr. HARLAN. I was merely quoting an article appearing in the United States News this morning. The article did not specify trade-agreement countries, it stated foreign countries, so I do not know that that applies to the trade-agreement countries any more than the non-trade-agreement countries.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Kentucky [Mr. ROSSION].

Mr. ROSSION of Kentucky. Mr. Chairman, the administration's leaders must have made up their minds to adjourn at an early date. They have brought in this deficiency appropriation bill calling for nearly \$300,000,000. During the 5 years of the New Deal's control of the Government they have always started off each session of Congress with a new tax bill, creating new taxes and adding a lot of old taxes, and they have ended up with a deficiency appropriation bill. We had hoped there would be no deficiency appropriation bill at the end of this Congress because before the first session of the Seventy-fifth Congress closed there had been appropriated for the fiscal year beginning July 1, 1937, and ending June 30, 1938, approximately \$10,000,000,000. Furthermore, in this session there was a deficiency appropriation bill passed for relief amounting to \$250,000,000.

The amount of Federal revenues collected under the last year of President Hoover's administration for the fiscal year beginning July 1, 1932, and ending June 30, 1933, was in round numbers, \$1,800,000,000. During the present fiscal year, counting the social-security taxes, there has been taken from the people in Federal taxes more than \$6,000,000,000, an increase in this fiscal year over the last fiscal year of the Hoover administration of 233 1/3 percent. With all this increase in Federal revenues this administration continues to pile up deficit on deficit and debt on debt year by year. This session of Congress before it adjourns in a few days will have appropriated more than \$12,500,000,000 for the fiscal year beginning July 1, 1938, and ending June 30, 1939. This does not include the \$1,800,000,000 appropriated for the R. F. C. to be loaned either with or without security.

The administration can, and plans are being made to, spend this \$12,500,000,000 and to lend the \$1,800,000,000 in the fiscal year beginning July 1, 1938, and ending June 30, 1939. Because of the great decline in business it is generally agreed that the revenues collected for the coming year will be approximately \$4,500,000,000. In that event there will be a deficit of \$8,000,000,000. The deficit for 1 year will be equal to twice the cost to the Union for fighting and winning the Civil War. Our national debt will approach \$38,000,000,000 on June 30, 1938. This does not take into consideration the \$4,600,000,000 of bonds issued by Federal corporations, the interest and principal of which have been guaranteed by the Federal Government. Most of these bonds have been sold and the proceeds spent.

A distinguished Democratic Senator announced the other day on the floor of the Senate that the obligations of this Government at the end of the next fiscal year would be in the neighborhood of \$49,000,000,000. In the last 5 years of the Roosevelt administration there has been appropriated by Congress more than \$45,000,000,000. This does not include the \$4,600,000,000 of bonds issued by various Federal corporations and agencies. In order that we may appreciate the magnitude of this sum of money, may I point out that the total sum appropriated by all the Congresses from April 30, 1789, the beginning of George Washington's administration, to 1912—123 years—was \$32,210,604,278? With this sum all the expenses of the Government were carried on, all the pensions paid to the veterans, their widows and orphans; the debt of the Revolutionary War paid; we fought the War of 1812, the Mexican War, the Civil War, the Spanish-American War, and a dozen Indian wars. We paid for the Louisiana Purchase, the Gadsden Purchase, the purchase of

Florida, and the Philippine Islands. We dug the Panama Canal, spent billions of dollars for river, harbor, and highway improvements, and carved out of the great wilderness and developed the finest, richest, and greatest country in the world; and during that time there were four great depressions.

You will observe the New Deal Congresses in 5 years have appropriated \$12,000,000,000 more than was appropriated by all the Congresses in 123 years, and at the end of these 5 years of heavy taxes, regimentation of agriculture, labor, and industry, and wanton, reckless, and wasteful extravagance, there are more unemployed workers, more people depending upon relief, and receiving some form of Government aid than at any time in the history of this country or any other country in 50 centuries. Those in control of the New Deal administration must know by this time that we cannot tax and squander ourselves into prosperity; neither can we regiment agriculture, labor, and industry and place the activities of 130,000,000 American people into the hands of a few bureaucrats here in Washington and bring about good times. We must know by this time that destroying our products and bringing about scarcity means unemployment, want, distress, and misery.

Yet this administration, as indicated in the President's speech to the high-school graduates at Arthurdale, W. Va., proposes to have a new tax bill at the next session of Congress. The sum already appropriated for the next fiscal year is greater than one-third of all the money appropriated by Congress in 123 years.

The new dealers have been claiming during all these 5 years that their purpose was to bring about recovery and put the people back to work. A blind person could see their policies and efforts have been dismal failures. Their pump priming has been mere shots in the arm, leaving the patient—our country—in a worse condition than before the shots were administered. I shudder to think of the conditions that will follow the \$12,500,000,000 they propose to spend in the coming year when that great sum has been exhausted and the national debt increased to more than \$45,000,000,000, business has been further paralyzed, and private initiative broken down. We can only put the people back to work in this country by giving agriculture and industry a parity price. They should have nothing less than the cost of production. Then the rich American markets should be protected for the American farmers against the farm products produced by peon labor in foreign countries.

Last year we imported \$1,538,000,000 worth of farm products and exported only \$732,000,000. We have imported billions of dollars worth of products of foreign factories, mills, and shops. We must protect the American market for American industries and the jobs of American workers. Take the Government out of competition with private business in strictly private enterprises; reduce the tax burden. Instead of hammering and hamstringing agriculture, industry, and commerce, let us encourage them and thereby cause the \$24,000,000,000 on deposit in the banks and in the pockets of individuals to again flow into private enterprises and put into operation mills, shops, factories, and mines and provide jobs at real wages, reasonable hours, and proper working conditions to the idle millions.

John L. Lewis, president of the United Mine Workers and the C. I. O., said over the radio in March that we had spent \$22,000,000,000 on emergency projects and schemes, yet there were 13,000,000 idle workers and the Government and Congress had done nothing to bring hope to the millions of unemployed. He, a great friend of the administration, was talking about the present administration and the Congress controlled by the Democratic administration.

William Green, president of the American Federation of Labor, pointed out that this large emergency spending had failed to accomplish its purpose and we could not hope for recovery along those lines. Great farm organizations have recently met to express their alarm over growing taxes, increasing debts and deficits, and the wild spending program of

this administration. Of course, business and professional men have been urging throughout this administration that we could not hope for recovery or bring about good times by taxing, wasting, and spending. It is agreed by the President and others who know that the number of unemployed has increased by leaps and bounds since Mr. Lewis made his statement last March. There must be now approximately 16,000,000 unemployed workers in this country. The administration does not propose with all this expenditure of \$12,500,000,000 the next fiscal year to put more than 3,500,000 idle people to work. What are the other 12,500,000 idle workers going to do? You will never put these people to work by excessive taxation, by regimentation, by lambasting business, or by destroying our commodities and our crops.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I have a matter here that I want to finish first.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. FLETCHER. The gentleman says we had only three panics in all that time. I believe there were 27, were there not?

Mr. ROBSION of Kentucky. I said three great panics, and the Democratic Party is honored by having all three of them [laughter and applause], and we are now in the fourth and greatest panic under the New Deal.

Every Sunday in the Post read the story of what was happening in 1837 in Martin Van Buren's administration—an empty Treasury, the country bankrupt—and today, after 100 years, your party under this administration is running true to form.

Mr. FLETCHER. Will the gentleman please state what he would do if he were in power in the White House and had as large a Congress on that side as we have on this side? What is the gentleman's program for solving the problem?

Mr. ROBSION of Kentucky. The Republicans have submitted programs. You new dealers are talking about getting back to 1926.

Mr. FLETCHER. I never mentioned 1926.

Mr. ROBSION of Kentucky. Perhaps the gentleman did not, but I am going to mention it.

Mr. FLETCHER. Do not blame it on me.

Mr. ROBSION of Kentucky. Labor wants to get back to 1926, and the farmers want to get back to 1926. Why? Because then there was parity of prices between agriculture and industry, no unemployment, no dole, no relief rolls, taxes going down, the national debt going down; and, not only that, but wheat was \$1.70 a bushel; corn, 80 cents a bushel; cotton, 17 cents. Our national income for several years was \$80,000,000,000 or more. The farmers' income averaged \$12,000,000,000 for many years, and those dollars were all 100-cent dollars. The Republicans were then in power. [Applause.] The national income this year will be around \$55,000,000,000, and the farmers' income will be around \$7,500,000,000, measured in the devalued dollar of 59.6 cents. Cotton is less than 8 cents, wheat is less than 67 cents, corn is less than 50 cents in these 59.6-cent dollars.

Mr. FLETCHER. The gentleman does not answer my question. What is the gentleman's program?

Mr. ROBSION of Kentucky. If the gentleman will let me continue, I will tell him about the program.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. KNUTSON. The gentleman from Ohio wants to know what we will do when we get in. For one thing, we are going to send the galloping hounds of waste home and make them work and pay taxes.

Mr. FLETCHER. Send the galloping hounds home?

Mr. ROBSION of Kentucky. Wait a minute. We will quit doing some of the things I am going to tell you about.

PRIMING THE PRIMARIES IN KENTUCKY

In my speech on the President's pump-priming bill a few days ago I submitted excerpts from letters and affidavits of

Democrats and Republicans in Kentucky condemning in unmeasured terms the use of the W. P. A. funds and jobs in promoting the administration's candidate for the Democratic nomination for United States Senator in Kentucky. I have no personal interest in either one of the candidates.

They are both Democrats. I have not and shall not take any part in that primary. I can truthfully say that I never did meddle in a Democratic primary, and I certainly would not this time, because a Democratic friend of mine in the House from Kentucky said he was down there some time ago and he was informed that before that primary was over there would be blood and hair on every rock in Kentucky. Therefore I am quite sure not to take any part this year. That is a matter to be settled by the Democrats of Kentucky; but I do have a deep interest in the matter of honesty and decency in elections and the way and manner in which the taxpayers' money is spent and the way and manner in which needy people of my district and Kentucky are being treated.

On May 23, 1938, Judge Brady M. Stewart, State campaign manager for Gov. A. B. Chandler, one of those seeking the Democratic nomination for United States Senator in Kentucky, wrote a letter to the President and made a strong appeal to the President of the United States to stop the scandalous action of those in charge of the W. P. A. in Kentucky. This is not a Republican speaking; it is a leading Democrat of Kentucky writing to his Democratic President; and, among other things, Judge Stewart said:

You—

Referring to the President—

will not countenance the use of taxpayers' funds, set aside to feed the hungry of the Nation, to be employed in this Commonwealth in such a manner as to result in public scandal.

Judge Stewart states further in his letter to the President:

For the first time in our observation the Works Progress Administration, which was conceived and established to feed the families of the unemployed, irrespective of the politics, race, or creed of those to be served through its directing heads, is seeking to drive hungry and destitute people to vote for a certain candidate for office. Meetings and conferences have been held in practically every county of the State by keymen in places of importance with the Works Progress Administration, at which definite instructions were given to selected agents that no one should be placed on Federal relief except upon the advice of Senator BARKLEY's campaign managers in the respective counties. Furthermore, these same agents have been required to inform all those individuals who seek Federal assistance that unless they are for the candidate for Senator whom the heads of the relief administration are supporting, there will be neither relief funds nor jobs for them.

Employees of the Works Progress Administration have been approached for campaign donations for Senator BARKLEY, and they have been sharply informed that if they did not give the amounts demanded they would be discharged immediately from their jobs. Very competent men and women have been released from the Works Progress Administration because they would not consent to use their positions and influence to force people to vote for Senator BARKLEY. Republicans have been instructed by agents of the Works Progress Administration to change their registration and vote for Senator BARKLEY on penalty of being released therefrom in case of refusal. Works Progress Administration trucks are being used openly to haul relief workers to the county court clerk's office to register.

And Judge Stewart further says:

Persons are being employed who do no definite work, but are instructed to spend their entire time in political activity. Practically every Federal project is topheavy with foremen, part of whom confine their time and attention to keeping certain men definitely in line for Senator BARKLEY, part of whom spend their time checking up on the loyalty to Senator BARKLEY of men already placed on the Works Progress Administration, and part of whom spend their time going from one section of the State to another on definite political missions. A tremendous waste of money is the result of this arrangement.

Judge Stewart further continues in his indictment:

It is unthinkable that any relief agency of the Federal Government engaged in a charitable and humanitarian task would be deliberately prostituted by politicians for the benefit of a man seeking office. The Works Progress Administration in Kentucky has been converted into an out-and-out political machine, dedicated over and above all other considerations to reelecting Senator BARKLEY. Those with starving mouths to feed are forced to surrender their one remaining privilege of choosing for whom they shall

vote, otherwise they and their dependents must go hungry and naked.

Judge Stewart speaks of it as "a public scandal," and he comments:

It is unthinkable that any relief agency of the Federal Government, engaged in a charitable and humanitarian task, would be deliberately prostituted by politicians.

He concludes his bitter indictment by using these words:

Those with starving mouths to feed are forced to surrender their one remaining privilege of choosing for whom they shall vote, otherwise they and their dependents must go hungry and naked.

Money taken from the pockets of the taxpayers to provide food, clothing, and shelter for the needy is being gobbled up by ward heelers, politicians, and favorites in one particular faction for one particular candidate in the Democratic primary, capitalizing politically on the want, misery, and distress of hungry, shivering, and helpless men, women, and children. If some county or small-town officer should use a few hundred or a thousand dollars of the taxpayers' money in any such manner as this, he would be driven out of office and out of the community and branded as a traitor and a thief. We are told, however, there will be poured into Kentucky this year out of the taxpayers' money more than \$52,000,000 to enable ward heelers and politicians to intimidate, browbeat, and oppress hungry and helpless Kentuckians. Yet we hear much said of the interest of these New Deal politicians in the poor and their appropriations of the taxpayers' money for humanity's sake. God save the mark for such lip-serving humanitarians as these! [Applause.]

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Judge Stewart points out—and I have heard it from many other sources—the overmanning on various projects—politicians put on not to serve the people but to work in the interest of some particular candidate. It reminds me of the definition of an old darky as to what is a W. P. A. or P. W. A. project. The old darky said:

It is when two men move a tree, where you have four overseers, seven stenographers, eight clerks, five examiners, and three investigators, and you write W. P. A. or P. W. A. over it; then you have a project.

[Laughter.]

That is the kind of projects we are having in Kentucky, according to the testimony of this Democrat, Judge Stewart. That is what he says is going on down in Kentucky. This old darky must have been a close observer of relief conditions in Kentucky, according to Judge Stewart's statement and other evidence.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. ROBSION of Kentucky. In just a minute. Listen to this:

Those with starving mouths to feed are forced to surrender their one remaining privilege of choosing for whom they shall vote. Otherwise they and their dependents must go hungry and naked.

Yes; needy Kentuckians are called on to barter their votes for bread and meat. No vote, no job, no food, no clothing, no shelter.

RELIEF BAGS USED FOR POLITICAL ADVERTISEMENT

Commodities for the needy in Kentucky are being distributed in large paper sacks bearing a political advertisement.

I hold in my hand a photostatic copy of the words appearing on these bags delivered with commodities to those receiving relief. The words "paper bags" are in large letters, "donated by a friend of" in small letters, and again in large letters "Senator ALBEN W. BARKLEY." Governor Chandler's campaign manager, I am informed, has sent a similar photostat to each Member of the House and Senate. I am further informed it has been hinted in many cases, and in some cases openly stated, that people receiving relief are given to understand it is coming from Senator BARKLEY. The desire for

power and political preferment must be very strong, indeed, when any man, or group of men, would so prostitute the funds for the needy to promote their own political fortunes.

I am strong for relief for the needy; so is the Republican Party; but we denounce the use of the taxpayers' money to pay the expenses of primary campaigns or general elections. Such conduct as this is sowing dragon's teeth in this country. We are sowing the wind, and we shall reap the whirlwind.

The other day an amendment was offered to the relief bill in the Senate by a New Deal Senator in which it was proposed that those connected with administering relief should refrain from political activities. A Republican Senator also offered an amendment making it a crime punishable by fine and imprisonment for anyone in charge of distributing relief to try to coerce and influence any relief client to vote one way or the other. The Senate leaders and by one majority of the administration New Deal followers, these salutary and wholesome amendments were defeated. By that action the signal was given to all ward heelers and politicians to run their hands into the pockets of the taxpayers up to their elbows and drive ahead to browbeat, oppress, and attempt to debauch the needy people of Kentucky and our Nation.

It is little wonder that agriculture, industry, and the people generally have become disheartened when they meet with nothing but bureaucratic interference and harassment and exorbitant taxes taken from the sweat of their labor being used to break down the morale, morals, and self-reliance of the people. They see the bread taken from the mouths of the hungry men, women, and children and turned into the pockets of scheming politicians.

I shall continue to denounce any such outrages, it matters not who may commit them. If those in high authority are opposed to these outrages and are not to be the beneficiaries thereof, let such persons join with me in stopping them. Do these politicians give no thought to the price that was paid at Bunker Hill, Lexington, Valley Forge, and Yorktown for our right to vote? Do they not realize that in debauching the elections of this country they are digging the very foundations from under our Government? The day of reckoning is coming. I indulge the hope that there is too much patriotism, intelligence, and courage left in this country to permit ambitious and scheming men to wreck and destroy the Nation's credit and take away the liberties of the people. [Applause.] When the people once have full knowledge of the facts and have become thoroughly aroused, these betrayers of the peoples' trust will be calling upon the mountains to fall upon them and hide them.

IOWA "YES" MAN LOSES

The issue in the Democratic primary in the State of Iowa held on yesterday, June 6, was clearly drawn. Senator GILLETTE before the primary stated over and over: "If elected, I will not be a 'rubber stamp' or a 'yes' man in Congress."

Our distinguished colleague, Mr. WEARIN, backed by Relief Administrator Harry Hopkins, the President's son and Secretary, Mr. James Roosevelt, and other New Dealers, declared his unflinching devotion to the President and the New Deal; in other words, he would be a "yes" man. I wish to commend the courage and patriotism of Senator GILLETTE. To the everlasting honor of the intelligent and patriotic Democrats of the great State of Iowa, by a vote of nearly 2 to 1, they said to the President that they wanted Senator GILLETTE and they did not want a "rubber stamp" or a "yes" man in the United States Senate.

The people of Iowa are noted for intelligent, forward-looking, and liberal views, but they have learned their lesson. They have seen the evils that have come upon us through "yes" men and "rubber stamps."

Now, what was Senator GILLETTE's crime to turn the W. P. A., the White House, and other administration stalwarts against him? He had the courage to oppose the President's bill to stack the Supreme Court of the United States. Not being a "rubber stamp" Senator or a "yes" man, he was unwilling to make "yes" men out of the members of the Supreme Court. He knew the safety of this Nation depends

upon the preservation of the three great coordinate branches of the Government. They cannot be preserved if we have "yes" men on the Supreme Court bench and "yes" men in the legislative branch of the Government. Senator GILLETTE's courage liberated other Members of the House and Senate.

The election in Iowa on yesterday reflected the change in the sentiment of the American people.

KENTUCKY SPECIAL CONGRESSIONAL ELECTION SIGNIFICANT

On last Saturday, June 4, there was held a special election in the Eighth Congressional District of Kentucky to fill the vacancy created by the resignation of former Congressman Vinson. Hon. Joe Bates, a kinsman, as I understand, of Mr. Vinson, was the Democratic nominee. Dr. Sparks was the Republican nominee. Mr. Bates, as a kinsman of Mr. Vinson, was backed by Mr. Vinson's splendid Democratic organization, the W. P. A., the State and Federal officeholders. Dr. Sparks had no experience in congressional politics, as I am told. He had no State, Federal, or W. P. A. officials and workers to back him. The Eighth District is one of the real Democratic districts of Kentucky. I am informed in 1934 the district gave the Democrats 11,000 majority. In 1936 it gave the Democrats 18,000 majority. The other day the Democratic nominee won by approximately 2,400.

The result of the election in Boyd County is even more significant. The largest town is Ashland. There are great steel mills, and the C. & O. Railroad has extensive holdings and operations in Ashland and Boyd County and employs thousands of workers. That county gave a Democratic majority of 5,000 in 1936. The other day it went more than 1,400 majority Republican.

The working people are beginning to realize that the enormous taxes being imposed must be paid in a large measure by them and the farmers. They now know that President Roosevelt was right in his statement in 1932 when he said:

Taxes are paid in the sweat of every man who labors. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of hungry tramping the streets and looking for jobs in vain. Our workers may never see a tax bill, but they pay in reduction of wages, cost of what they buy, and in broad cessation of employment.

The steel workers see steel production only 25 percent of capacity and with a reasonable certainty it will go down below 20 percent by July or August. The railroad workers now know, according to the report of the Interstate Commerce Commission, on April 6, 1937, there were 1,131,000 railroad men then at work. The Commission reported again on April 6, 1938, 1 year later, 913,070 railroad men at work. In other words, in 1 year railroad employment decreased 217,960, which is approximately 20 percent. Unfortunately the number of employed railroad workers is still going down. There was a decrease of 14,278 in the month of April and a like or perhaps a greater decrease for the month of May 1938.

There are now more than 70,000 miles of railroads in the hands of the courts. The next high record was 40,000 miles in the hands of the courts during the panic of the Cleveland administration in 1893-94. The railroads earned in 1929, \$6,280,000,000. It is now estimated that they will earn this year around \$3,000,000,000, a reduction of 50 percent in earnings, and they are facing a deficit of over \$400,000,000. This is the highest deficit the railroads have ever had. The deficit in the low year of the depression of 1932 amounted to \$139,000,000. A man who knows, and not a railroad worker or a railroad owner or manager, expressed the opinion before our Judiciary Committee the other day that he would not be surprised to see all of the big railroads in the hands of the courts within the next 9 months. The reduction of 15 percent in the wages of the railroad workers as proposed would not eliminate this great deficit.

Railroad freight loadings are 29 percent less than they were a year ago. Production in the automobile industry is now about 15 percent of normal, and the coal mines, operating on a 1- or 2-day-week basis, are great contributing factors to the bad condition of the railroads and the steel

mills. Farm commodities and gilt-edge stocks and bonds continue to go down. The business index has dropped nearly 35 points in a year.

The workers see the words of President Roosevelt come true—idle steel, factory, mine, mill, and railroad workers. They see the cost of living up to 1 percent of what it was a year ago, yet the income of the workers on account of unemployment and high taxes is perhaps 30 percent less than it was a year ago. President Roosevelt said that the workers may never see a tax bill, but they pay in reduction in wages, cost of what they buy, and in broad cessation of employment.

The workers, farmers, and even housewives now realize that we cannot tax and squander ourselves into prosperity. They also realize that we cannot hamper, embarrass, and discourage business, industry, and agriculture without doing irreparable harm to the workers and their families. These workers also realize that we cannot destroy our products and put everybody under the bureaucrats here and restore good times.

This same feeling evidently was manifested in the great industrial State of Pennsylvania, when without State or Federal jobs or W. P. A. the Republicans in the primary gave their candidates 100,000 more majority over the number of votes received by all the Democratic candidates in their primary.

W. P. A. jobs with starvation wages in Kentucky is not the answer to thousands of honest workmen now out of work. They want real jobs with real wages and not to be exploited, oppressed, and kicked around by ward heelers and small-fry politicians for a chance to dig in the dirt at \$21.60 a month. They want jobs rather than change in our form of government.

PRIMARIES NEED MORE PRIMING

The administration continues to increase its priming of agriculture and industry without success, and although billions of the taxpayers' money have been poured into elections, primary and general, recent events show that these efforts likewise will be attended with failure.

They failed in a recent Democratic primary in Pennsylvania. In the State of North Dakota the Republicans in the primary received around 100,000 votes and the Democrats only about 75,000. In the State of Oregon, 2 or 3 weeks ago, the Republican candidates received a much larger vote than the Democrats with all of their political and relief jobs. The New Dealers butted into the Oregon Democratic primary and their candidate won by the skin of his teeth over a candidate who had incurred the displeasure of both groups of organized labor and others.

The Florida primary came along and our New Deal friends crowed lustily over the outcome, claiming that the vote of Senator PEPPER on the wage and hour bill containing differentials and setting up a board was responsible for his success. It was amusing to see a lot of our good Democrat friends run to the storm cellar with a brainstorm. An analysis of the vote in Florida does not indicate that it hinged on the wage and hour bill vote last December or on any other New Deal legislation. Senator PEPPER announced in favor of the Townsend plan. The administration is bitterly opposed to the Townsend plan for old-age pensions. Some Members of the House up for reelection were against the wage and hour bill last December and others were against other New Deal measures, and yet received a greater number of votes in their respective districts than did Senator PEPPER.

TAKE RELIEF OUT OF POLITICS

Let us take relief out of politics. The Republicans insist that the relief should be administered by a non- or bi-partisan board or commission made up of capable men and women representing the Federal Government, State, and the community. Those administering relief should be under civil service and subject to heavy penalties should they make any attempt to influence the votes one way or the other of the relief workers. Let us see to it that the taxpayers' money goes to the needy instead of building and maintaining political machines. Let us effect economies in government

wherever possible, cut down taxes, demand honesty in government, give agriculture, industry, and commerce a chance, encourage the free flow again of the billions of unused private capital into active enterprises. This is the same country and the same people who except for a few brief periods of depression were employed at good wages. There were no doles, deficits, mounting taxes, and mounting debts, no scarcity with its misery and want. With sane, sound economic policies agriculture, industry, and commerce will go forward, the idle people will be put back to work, and we can again rejoice with peace, plenty, and prosperity.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. ANDERSON].

Mr. ANDERSON of Missouri. Several weeks ago, Mr. Chairman, the attention of the membership of this House was called to the fact that it was obvious that the National Labor Relations Board did not make a thorough investigation to determine if the charges against the St. Louis branch of the Ford Motor Co. were supported by fact. It was also said that the transcript of the hearings in the case contained unanswerable evidence that charges made in this House from time to time to the effect that the National Labor Relations Board is biased, prejudiced, and unfair have not been based on thin air.

I have just completed reading the testimony taken in the last few days in this case, Mr. Chairman, and learned of a new judicial theory advanced by the trial examiner, Mr. Tilford E. Dudley.

As you will recall, Mr. Chairman, it was pointed out that out of a total of 278 Ford workers who were named in the complaint it was impossible for the company to have discriminated against 195 of them, who were either working, quit, moved away, or never worked at the plant at any time.

Twenty-one named in the complaint had testified they did not know they had been named in the charges. And I find some others also gave no authority to anyone to file a complaint against the Ford Co. in their name.

On page 17480 of the official transcript, Mr. George C. Hopkins was asked by the attorney for the respondent if he had known that his name was used by the U. A. W. A. in the complaint as one of the parties against whom the Ford Motor Co. is charged to have discriminated because of the fact that he belonged to the union.

The Labor Board attorney objected, and Mr. Dudley sustained the objection.

The Ford attorney, Mr. Muldoon, pointed out to Trial Examiner Dudley that the case with the witness as a complainant was still pending.

His case is still in the complaint, and as far as this witness is concerned he is one of the parties upon whom the complaint is founded in this case, and it is still pending in his name—

Muldoon stated.

Trial Examiner Dudley said:

Even then it doesn't matter. He is not the one that filed the complaint. The union filed the charge.

I quote from the official record:

Mr. MULDOON. Have they a right to file a charge when a man is not even in St. Louis and has no intention of authorizing anybody to file a charge in his name and doesn't believe he is being discriminated against?

Trial Examiner DUDLEY. Certainly; they didn't file the charge in his name.

Mr. MULDOON. They filed it in his behalf.

And now, Mr. Chairman, I ask that you carefully note this ruling, which to me at least is something that is incompatible with common sense or American fundamentals:

Trial Examiner DUDLEY. Filed it in behalf of the public to keep you from restraining interstate commerce.

Now, Mr. Chairman, it happens that this witness was out of the city in a hospital in Minnesota and had been notified twice to return to work by Ford Motor Co. and had no knowledge of his being named in the complaint. And, mind you, Mr. Chairman, the Labor Board, through a ruling of its trial examiner, declares that it is not necessary to obtain the permission of any individual before filing charges in

his name. That this is within the authority of the union and is filed in behalf of the public to prevent employers from restraining interstate commerce.

Well, in my many years as an observer, I have seen the interstate provision abused in many ways, but never with such ridiculous abandon as in this "star" ruling by Trial Examiner Dudley.

It is so ridiculous it would be laughable were not its effect, along with the other acts of the Labor Board, so seriously handicapping employees and employer in their friendly relationships.

I urge every member of this assembly to make a serious study of this situation as it is striking at the very fundamentals of American Government and institutions.

That this fact is generally recognized is evidenced by the following letter written to the National Labor Relations Board by Mr. O. J. Ferguson, editor of the Democratic and pro-New Deal Democrat-News, of Fredericktown, Mo.:

[Ferguson Bros. Printing Co., publishers of the Democrat-News, printers, publishers, binders]

FREDERICKTOWN, Mo., March 4, 1938.

NATIONAL LABOR RELATIONS BOARD,

United States Court and Customhouse, St. Louis, Mo.

GENTLEMEN: We have just received and read a news release from your office.

It is not at present the purpose of this newspaper to give any cooperation, through the use of your publicity, to your Board as it is at present constituted.

The writer has been present at several of the hearings in the matter of the Ford Motor Co. and if the conduct of that hearing is at all representative of your general attitude then, in our opinion, you are not entitled to the support of any genuine American.

We stand definitely committed to the principles of the New Deal. We favored the enactment of the Labor Relations Act. We believe in the things it was designed to do.

We are, however, disgusted with your administration of the act. Instead of a fair, impartial hearing, you have impressed us as prejudging the cases that come before you. Instead of giving the workers the opportunity of choosing for themselves the type of representation they desire, your Board has seemed to me to have picked out a particular organization and attempted to force it upon the entire country.

We feel strongly that the attitude of your Board is such that the American people will force the repeal of the act under which you operate.

I do not know any of your personnel, so there is certainly nothing personal in this matter. I think my feeling is typical in the country outside strongly C. I. O. areas.

Very truly,

O. J. FERGUSON,
Editor, the Democrat-News.

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from Ohio [Mr. FLETCHER] such time as he may desire.

Mr. FLETCHER. Mr. Chairman, several times while the gentleman from Kentucky [Mr. ROBSON] was speaking I requested him to yield for the purpose of asking a question. With characteristic courtesy he yielded, but he neglected to answer my question.

Repeatedly I have asked our critics what they would do if they were in the White House, but they invariably close up like clams and do not answer.

So far all of them confess they have no program to substitute for the one they criticize, and the gentleman who has just spoken again demonstrated that they have no program.

Several other Members have made the same speech at this session, with slight variations, but the Kentucky statesman's delivery puts him in a class by himself. He wins the honors in oratory.

I have no objection to criticism of our program. I believe in criticism when it is constructive and helpful, and I know the gentleman in his heart wants to be constructive and helpful.

WHY NOT OFFER SOMETHING CONSTRUCTIVE?

Believing that one who starts out to criticize should offer something better to take the place of the thing his criticism is intended to denounce, I asked the gentleman while he was speaking, and I ask him now, to outline for us the program of his own party.

If that is too much, then will he please state whether he or any member of his party has any program?

The country has a right to know how his party would solve the problems he talks about so eloquently.

He says this administration has not found all the methods for solving the multitudinous economic, social, industrial, and unemployment problems that confront the Nation.

All right then, if that is true, just what is his plan and what does his party propose to do about all the multitudinous things he has mentioned?

If everything is all wrong, then how does he propose to make everything all right?

What would he or any of the other members of his party do in the White House? Or what does he propose to do if his party ever again should rise to power?

A PLANLESS PARTY LED BY PLANLESS POLITICIANS

One hundred and thirty millions of people in this Nation are anxiously waiting for the answer to these questions.

Of course, it must seem obvious to everyone that the gentleman has no plan. No leader of his party has even so much as hinted of any plan so far. You cannot beat something with nothing, as the late Herbert Hoover has only recently told you.

Behold a planless political party, led by planless politicians, plaguing the people with promises and platitudes. What a comedy! What a tragedy! What a shame!

But I must admit the gentleman made a good speech. I always enjoy listening to that speech. It never loses its appeal.

Every time one of the critics of this administration removes that classic old partisan speech from the moth balls, dusts it off and starts it going good, we just naturally sit up and pay attention through force of habit. [Laughter.]

I HEARD THAT SAME OLD SPEECH WHEN I WAS A BAREFOOT BOY

The first time I heard the gentleman's speech I was a barefoot boy on the farm. It was at a farmers' picnic. I was wearing my first pair of long pants.

A backwoods partisan running for county office, handicapped by a harelip and a loose tooth, put that same old speech through its paces and it sounded almost as good then as it did today when the gentleman delivered it in his best made-in-old-Kentucky style. [Laughter.]

That speech has gone through every campaign since the Civil War, and listening to it today it seemed to me that it was as young as ever. [Laughter.]

Evidently the gentleman has had the old speech's face lifted and it has undergone some other rejuvenation treatment, but not enough to mar its identity. It is still a wonderful old speech and we always enjoy it every time we hear it.

But did any Member of this House hear the gentleman answer my questions? What is your plan?

What is your remedy?

What is your solution?

How would you solve the economic, social, unemployment, and other problems which you say this administration has not solved entirely to your satisfaction?

Why not answer me? Why evade? Why sidestep? Why duck from under? Why hold out? Why keep it a secret?

THE FAMOUS BRAZILIAN INVISIBLE FISH

At this session of Congress I have listened attentively to all of the gentlemen who have been criticizing, denouncing, ridiculing, and belittling this administration.

Much of this partisan ballyhoo reminds me of the performance of a clever side-show ballyhooer who got the people all excited about what he assured them was the "famous Brazilian invisible fish, the only one of its kind in captivity."

This side-show ballyhoo artist had formerly been a fairly successful politician.

But, like so many of our friends who formerly occupied the now vacant chairs across the aisle, a New Deal landslide had caused him to lose out, and rather than go on relief he thought up the bright side-show idea of exhibiting an "invisible fish."

He operated on the theory that a gullible sucker is born every minute and that some of them live.

He filled a big glass bowl full of water and set it up in an empty storeroom.

On a large show card in the window he had printed these words: "Walk right up, ladies and gentlemen, get your tickets to see the famous Brazilian invisible fish, the only one in captivity."

THEY HAD TO CALL THE POLICE TO HANDLE THE CROWD

The crowds came, bought tickets as fast as he could hand them out. More and more people crowded the sidewalk in front of the building until it was necessary to call the police to take charge of the unruly mob demanding admission to see the "invisible fish."

Of course, there was no fish in the bowl. It was merely a huge glass bowl filled with water.

But because this down-and-out, former politician promised them that they would see the invisible fish, pointed to the bowl and said: "It is there, can't you see it, it is right there in the bowl, look at it, there it is, the famous Brazilian, invisible fish," why they were just gullible enough to believe his promise.

Surprising as it may seem, most of them imagined they had seen the "invisible fish." [Laughter.]

Before they had time to come to their senses and get on to the trickster's game he had skipped out with their money.

VOTERS CANNOT BE FOOLED BY "INVISIBLE FISH" TRICK TODAY

New Deal critics stand up here in the House and pointing to their political fish bowl explain: "It's there. Can't you see it? We promise you we have the solution. We have the remedy. We have the program. Take our word for it. It may be invisible, but it is there. Don't you believe us? Right there it is. See it?" [Laughter.]

From speeches we have heard in the House at this session, it is evident that in the coming election campaign some of our brethren will be running up and down the country with their political fish bowls trying to make the voters believe there is something in them. But voters are doing their own thinking these days. "Invisible fish" in the form of political promises do not fool them any more.

THE DISTINGUISHED GENTLEMAN FROM KENTUCKY, MR. ROBSON

But to return to the gentleman from Kentucky [Mr. ROBSON]. I do not want any Member of this House to get the impression that there is anything personal in what I have said.

In fact, my first purpose in rising to address the House was to pay to the gentleman a deserved tribute.

As everyone in this House knows he has well earned his reputation as a brilliant orator and a constructive statesman.

If character, ability, legislative experience, and tested leadership are essential qualities to consider in choosing a candidate for President of the United States, then in these days of uncertainty and confusion within the ranks of the Republican Party, it would seem to be sound political judgment for that party to consider as its Presidential candidate 2 years from now the gentleman who has spoken to us with such forceful eloquence this afternoon.

In poise, personal appearance, dignity, and the other qualities that make for leadership he looks more like what a Presidential candidate ought to look like than most of those of his party who so far have been named.

He has the background, the years of legislative experience as a Member of the National House of Representatives and also as a Member of the United States Senate.

Those of us who have been associated with him for years appreciate his sincerity, his ability, and the constructive service he has rendered during the years of his membership in both the House and the Senate.

In days past political leaders had the wisdom to name a Member of Congress as their choice of candidate for the Presidency. McKinley, of my own State, was trained for the Presidency by his long years of service in the House.

In fact, most of our successful Presidents were advanced to the White House after serving in Congress.

In a political campaign no Republican so far named as a potential choice of the minority party would be more certain to win the rank and file of the Republicans of the Nation as a Presidential candidate than the gentleman from Kentucky [Mr. ROBSON].

WHAT THE VOTERS OF AMERICA WANT

No matter how appealing may be the personality, how logical the reasoning, how eloquent the speech of any candidate who may be nominated for the Presidency, the voters will still demand something more. They will demand an answer to the questions: "What do you propose to do and how do you propose to do it?"

There are some Democrats as well as some Republicans who got themselves elected to this Congress by riding in on the coattails of President Roosevelt.

They campaigned as new dealers. They told the voters they were new dealers and now they are old dealers. They have flopped.

Some of them laugh at the New Deal. They ridicule it. They denounce it. They damn it. They try to smear it with every kind of denunciation under the sun. Some of you have tried to hamstring it. Some of you have thrown monkey wrenches of your disapproval into its machinery. Over the radio you have pounded the eardrums of the listening millions with your propaganda against the New Deal.

All right then. Tell us what you propose to offer in the place of the New Deal. Explain that to the voters, will you? I do not like everything about the New Deal either. I do not know anything on earth that cannot be improved, do you? If the New Deal can be improved, why not join in and help to improve it? Why try to wreck it?

Do you know any living statesman in whom the people at this moment have greater faith than they have in President Roosevelt? If so, who is he? Name him. Trot him out so the country can look him over.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. FLETCHER. I shall be glad to yield. I hope my personal reference to the gentleman did not embarrass him. What I said I meant in the spirit of friendliness. The tribute I paid to him came from my heart, I assure you.

Mr. ROBSION of Kentucky. I am almost speechless. I have served with my friend here. We have been in and out.

Mr. FLETCHER. We surely have been in and out. I have had more experience in being out of Congress than the gentleman has.

Mr. ROBSION of Kentucky. May I say to my distinguished friend that while I am a native-born Kentuckian, my parents carried me to his great State, and I lived some years there and caught tobacco worms in the Miami Valley of Ohio. Kentucky stands alone in being equal to your State.

Mr. FLETCHER. Oh, yes; the tobacco worms have been very scarce ever since then. [Laughter.]

Mr. ROBSION of Kentucky. I have served here with my distinguished friend, Brooks Fletcher, of Ohio, and it has been a pleasure to know him personally and observe his faithful service to his district, his State, and to our country. I could not hope to surpass my colleague in graciousness of manner, human understanding, eloquence, statesmanship, and broad knowledge of the great problems confronting our people. With deepest sincerity I wish to say that there is no Member of this House who has served more intelligently, more earnestly, more patriotically, and more devotedly his constituents, his State, and our beloved country than has my friend the gentleman from Ohio. During his service here I have observed that he has done his own thinking. He appears at all times to be imbued with a great desire to do the right thing and the best thing for his constituency and his country. It is always inspiring to me to see elected to Congress a courageous, honest, earnest, devoted, and patriotic public servant, such as our friend's record here shows him to be. While he is a loyal Democrat and we do not always see eye to eye, yet, in my opinion, he always has placed the welfare of the country above partisan consideration. He has won the respect and affectionate regard of all Members of both sides of the aisle. Possessing these qualifications in such a high degree, I do not hesitate to say that the Democrats in convention in 1940 could go further and fare much worse than in naming our colleague, Brooks Fletcher, of Ohio, as the standard bearer of the Democratic Party. His wide experience as a businessman, newspaper editor and publisher, as a

platform speaker and as a legislator make him well qualified for public service.

Mr. FLETCHER. Early in the beginning of my newspaper career it was my pleasure to interview Governor Thorne, of Eminence, Ky., and Henry Watterson, then editor of the Louisville Courier Journal. There was a quality of graciousness and cordiality possessed by these two noted Kentuckians which, in the many speaking trips I have made in that State, I have found to be characteristic of the Kentucky people.

In the generous statement made by Mr. ROBSION of Kentucky a moment ago we again are reminded of the courtesy, warm friendship, and hospitable kindness so characteristic of the people of the State he ably represents in this Congress. The gentleman's generosity to me makes me feel a little embarrassed over having mentioned that "invisible fish" business a moment ago. I hope he will forgive me.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Yes; certainly.

Mr. KNUTSON. The gentleman's party assured us, and, in fact, his standard bearer in 1932 assured us, that he had the remedy.

After having spent \$18,000,000,000 for relief, which is equivalent to \$18 for every minute since the dawn of the Christian era we are worse off today than when the gentleman's party came into power.

Mr. FLETCHER. How would the gentleman have handled the relief problem? Did not most of the members of his party vote for our relief program?

Mr. MICHENER rose.

Mr. FLETCHER. What have you to suggest? What would you do? What idea have you to offer?

Mr. KVALE. If the gentleman from Ohio will yield, I may say the gentleman from Minnesota [Mr. KNUTSON] based his campaign in 1932 on the fact that he did not want to change skippers in midstream and that he was sticking with the skipper. [Laughter.]

Mr. FLETCHER. He must have skipped a couple of skippers since then. [Laughter.]

Mr. KNUTSON. I stuck by my ship in 1932, and the gentleman [Mr. KVALE] did not.

Mr. MICHENER. The gentleman from Ohio asked me what plan or solution I have to offer; what I would do about it.

Mr. FLETCHER. Yes; that is what I asked the gentleman awhile ago. Has he got a reply fixed up yet? [Laughter.]

Mr. MICHENER. I would do what the Democratic Party promised to do in its platform in 1932, and that which the American people thought in the 1932 election that the Democratic Party was going to do when it came into power in 1933.

Mr. FLETCHER. Does the gentleman from Michigan [Mr. MICHENER] mean to say then that he is outlining here before this Congress and the country a program for 1940, with a man from the gentleman's own State as a possible candidate for President, and that he, the gentleman from Michigan [Mr. MICHENER], is taking over the Democratic platform adopted at Chicago? Is that the gentleman's program? Is he admitting that having no program of his own, he is now going to kidnap our program?

Mr. MICHENER. My program is this: First, I do not attribute to myself the authority to speak for the party as the gentleman I am now addressing attempts to do for his party.

Mr. FLETCHER. Just a minute. I did not yield to permit the gentleman from Michigan to make an erroneous statement. I want the gentleman to stick to the facts. I am not speaking for the Democratic Party or any other party. I am speaking at this moment for Brooks Fletcher and for Brooks Fletcher only.

Mr. MICHENER. I am speaking for Earl Michener and Earl Michener only and Earl Michener says that the people of this country elected Franklin D. Roosevelt, President in 1932, on one of the most concise and best platforms ever presented to the American people and the American people believed that if Franklin Roosevelt was elected—

Mr. O'CONNELL of Rhode Island. Did the gentleman vote for him then?

Mr. MICHENER. No; and the fact I did not vote for him has been justified by his actions since then.

Mr. FLETCHER. The gentleman has spoken on numerous occasions and I cannot yield further for him to make a speech in my time. If the gentleman has a question that is different and I shall be glad to yield to him for a question. Have you a question you wish to ask me?

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I am glad to yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. I have some matters with respect to this relief that I desire to discuss which I thought were pertinent here but I knew that my friend from Ohio and the Democratic Party would not take my suggestions. We have offered suggestions and I am extending my remarks with the idea of putting some constructive matters in there that I think, if we would follow, might be helpful. I may be wrong.

Mr. FLETCHER. I see; the gentleman says he may be wrong. He is not certain that his suggestions may be helpful. He seems to doubt himself. Judging from the votes at the last election, it is evident that the voters are even more doubtful than he is as to any remedies his party might propose.

But I thank the gentleman, and I commend him both for the "constructive matters" which he says he is going to put into the RECORD as an extension of remarks, and I commend him for his modesty and honesty in expressing doubt as to whether they will amount to anything.

Of course, when we doubt ourselves we cannot expect the public to believe in us. One reason why the people have faith in President Roosevelt is because he has the courage to go ahead and do something—the courage to lead.

The hope of America is in the right leader with the right program; a leader who is not afraid.

WHY THIS PROMINENT REPUBLICAN DOES NOT WANT HIS PARTY TO WIN

Mr. Chairman, the other day one of the most prominent Republicans in this country, a long-time friend of mine, a man of wealth who has contributed liberally to the Republican Party in various campaigns, made to me some statements which I think should challenge the attention of every thinking American.

This man recently visited Florida, California, and New York. He has business and social contacts with some of the biggest men of the country. We visited together in my office almost the entire afternoon, and here in brief is what he said:

The time has come when I am afraid of what may be ahead of us. I am afraid because of a certain trend which I seem to sense. Millions upon millions of our people are badly maladjusted, and their growing hopelessness is causing them to become more and more dissatisfied with their lot in life. What frightens me most right now is that my party, the Republican Party, may be voted back into power without a program.

He said:

I am afraid that the people will become dissatisfied and will put a Republican President in the White House in 1940 elected on promises he cannot fulfill. I can think of no greater calamity to our country than to elect a new President with the same old, worn-out program our party has used in the past or without any program. My party, the Republican Party, so far has no program at all. [Applause.]

If we should be voted back into power by the election of a sufficient number of new Congressmen to give us a majority for the next 2 years, it is scarcely to be expected that they would support legislation sponsored by the present incumbent in the White House. Usually in the past, when the Chief Executive happened to be a member of one party and the majority in Congress of the opposite party, legislation has been blocked and nothing accomplished, while the country waited in anxiety and suspense, with business at a standstill.

I hope in the coming elections this fall that the voters will see to it that the present administration has a majority of Members in Congress so the country will not be held up by a conflict between the legislative and the executive branches of our

Government. Such a conflict between opposing political forces would result in uncertainty and business calamity.

He went on to say:

We have millions of people on relief. Many of these millions are becoming accustomed to being taken care of. Some of them are losing their incentive to put forth much effort in the way of helping themselves to a better situation in life. This is true of only a fraction, of course, but even that is serious. Even if they had a great incentive to strike out for themselves, it would be difficult for them to do much now with a 40-year-old deadline employment policy that refuses to give a man a job merely because he has reached the age of 40 or 45. We have to admit that the door of opportunity is being slammed shut in the face of millions of men and women whose only crime is that they have arrived at the age of 40 or 50 years. Millions of our young people are coming out of schools to face life without jobs. It will be a serious calamity for our Republican Party if we should be voted into office in sufficient numbers as to force upon us the control of the Government without our having something more to offer in the way of a solution, in the way of jobs, in the way of increasing prosperity than anybody in our party has offered to date.

[Applause.]

He was emphatic in saying:

The politicians of our party are now trying to get back into power merely on the mistakes of the present administration, with no program of their own, and in doing so they are heading both the party and the country toward greater disaster. Right around the corner is fascism, dictatorship, communism, and the teeming millions of malcontents who, having nothing to lose, may eagerly welcome revolutionary ideas which once out of control might destroy both the Republican and Democratic Parties and wreck our whole dream of democracy.

[Applause.]

Remember, ladies and gentlemen of the House, the man whose words I have just quoted is one of the most intelligent, successful, and loyal Republicans in this country.

EVERY LIVING PERSON HAS MADE SOME MISTAKES

I think it is serious business for Members of Congress of either party to get up here and slam-damn and denounce the New Deal program without offering something to take the place of the program which they criticize and denounce. [Applause.]

Our party has made some mistakes, of course, as all parties make mistakes. Everybody in our party, including the President himself, knows we have made mistakes, and it was expected mistakes would be made in our efforts to meet conditions so unprecedented as those that confronted us when we took over the affairs of this Government.

LET US RECOGNIZE THE GOOD DONE

But how about the mistakes of the previous administrations? What we want and need right now is help from you and help from everybody else willing to join in an effort to correct any mistakes that have been made and who are willing to cooperate in improving our program or formulating a better one.

It seems to me that we ought to be patriotic, straightforward, and honest enough, frankly, to admit the good things that have been accomplished and give an occasional thought to the constructive part of the program, instead of all the time dwelling on the black side of things.

READS WALL STREET JOURNAL TO CONGRESS

When I heard the gentleman from New York, the distinguished minority leader [Mr. SNELL], get up here yesterday morning and read from the Wall Street Journal about the tragic, gloomy situation which he says confronts us, as he had a perfect right to do, I could not help thinking, "Well, Mr. SNELL, what is your program? What would you do if you were in the White House? What would your party do if you were in power in Congress?"

"And since you read to us from your Wall Street Journal, Mr. SNELL, tell us, please, what solutions do your Wall Street friends have to offer, even with Mr. Whitney singing in Sing Sing?"

Most of my life has been devoted to the newspaper-publishing business, and I think I know news when I see it. If the gentleman from New York [Mr. SNELL] will offer any proof, past or present, that his Wall Street friends whose

journal he read out loud in the House have ever shown the kind of statesmanship the people of America are willing to approve, he will by so doing supply news material which will be given front-page headlines in every newspaper in the land.

MANY RODE INTO CONGRESS ON ROOSEVELT'S COATTAILS

A large number of you who are here today have voted with us right along. Many of you, when you get back home in your campaigns among your people, tell them what jim-dandy new dealers you are, especially when you are in New Deal territory.

One of the present Republican candidates for the Presidency got himself reelected by doing a quick flip-flop 3 weeks before election, and by talking like a new dealer he was able to slide back into office hanging on the Roosevelt coattails.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Yes.

Mr. KNUTSON. The gentleman voted for the President's Reciprocal Trade Agreements Act?

Mr. FLETCHER. Yes.

Mr. KNUTSON. The gentleman voted to renew it?

Mr. FLETCHER. Yes; and does the gentleman want to debate that subject with me? Many members of his party are now claiming credit for originating the reciprocity trade agreements program.

Has the gentleman read what Mr. Taft, of Ohio, the Republican candidate for Senator, recently said in favor of the reciprocity trade agreements?

Does the gentleman know what Mr. Hughes, Mr. Hoover, Mr. Stimson, and the Honorable Frank Knox, the Republican candidate for Vice President, have had to say in favor of the Reciprocity Trade Agreements Acts to which he objects in words without facts?

Has the gentleman from Minnesota [Mr. KNUTSON] forgotten what President McKinley said about reciprocity? If the gentleman desires to enter into a joint discussion of the reciprocal trade agreements program, it will be a pleasure to accommodate him.

Mr. KNUTSON. Is the gentleman in favor of reciprocal trade agreements on the competitive products?

Mr. FLETCHER. Mr. Chairman, I am making a speech tomorrow on that very subject, and I shall answer the gentleman in detail then, permitting him to ask questions to his heart's content. Furthermore, may I say to the gentleman, if he wants to get this matter before the House and will arrange the time on the floor so each of us can have a half hour for the discussion, such arrangement will afford the gentleman from Minnesota [Mr. KNUTSON] an opportunity to get an education on our foreign-trade agreements program which he has long neglected. [Laughter.]

Mr. KNUTSON. I shall be delighted.

Mr. O'MALLEY. Will the gentleman yield?

Mr. FLETCHER. Yes; I yield.

Mr. O'MALLEY. When we had the wage and hour bill under consideration in this House the reactionary Republicans indicated by their vote their willingness to do everything possible to put amendments in the bill so that the bill would not work. Is that not indicative of the Republican opposition to the Democratic platform?

Mr. FLETCHER. No; I would not say that is indicative of opposition to the entire program. Some of them voted for the program. In this friendly discussion I do not want to be partisan or personal. Already I have talked too long, and I beg the House's pardon. I had no intention of making any speech today. I had no speech prepared, and before that fact becomes too obvious I think you should let me quit and not ask me any more questions.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Well, yes; I yield.

Mr. FORD of California. One other gentleman made reference to the 1932 Democratic platform, and he said the people of America had taken that platform at the face value

and elected the President and that the Democratic Party had failed to carry out that platform. Then why in 1936 did not the American people repudiate us for not carrying out that program?

Mr. FLETCHER. I think the obvious answer to the gentleman's question is that the people were not in a repudiating mood. They were in an approving mood and voted their approval because they felt the program that was offered to them was the best program available at the time.

Permit me to make further reply to our friend the gentleman from Minnesota [Mr. KNUTSON], who is standing there looking rather wistfully at the moment, as though he were trying to think of something.

Since he raised the question of foreign trade agreements, he may be interested in knowing that the American Institute or Public Opinion, or the so-called Gallup poll, shows that 60 percent of the rank and file of Republicans are in favor of our present foreign trade agreements program.

Mr. KNUTSON. I challenge that statement.

Mr. FLETCHER. Does the gentleman mean to say that the Gallup poll is incorrect?

Mr. KNUTSON. I challenge the accuracy of the gentleman's statement.

Mr. FLETCHER. Well, if I am wrong, what is the correct statement?

Mr. KNUTSON. It is a way, way down. The gentleman has made the statement and I challenge it.

Mr. FLETCHER. Yes; that is one of the gentleman's habits. He is running true to form today, as usual, in his challenging the accuracy of my statement, but if my statement is inaccurate, then what is the accurate statement? Will the gentleman please tell us what he knows about it?

Mr. KNUTSON. It is down in the twenties.

Mr. FLETCHER. So, as usual, the gentleman does not know for sure, so he just guesses. And will the gentleman get up tomorrow when I show the actual figures and publicly say he is wrong.

Mr. KNUTSON. Certainly, I will. I shall be delighted to do that, if the gentleman can make me out wrong.

Mr. FLETCHER. It will not be necessary for me to make the gentleman out wrong; he was made that way at the beginning. It is a gift. [Laughter.]

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Yes; I yield to my friend from Michigan.

Mr. MICHENER. The gentleman from California [Mr. FORD] referred to me in reference to the 1932 platform and the reaction of the country in 1936. I reminded the gentleman from California that after the Democratic Party had forsaken the 1932 platform and commenced to spend billions of dollars, it had spent enough, as has been shown here today, so that it bought the election in 1936.

Mr. FLETCHER. Of course, as all of you know, I have tried to keep this humble discussion today entirely above that kind of thing—partisanism—and when the gentleman says the election in 1936 was bought and by that evidently meaning to imply the people on relief voted for the present administration, he obviously overlooks the fact that if all the people on relief and several millions more had not voted at all, the present administration would have won the election in 1936 anyway.

Mr. AMLIE. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. I am very happy to yield to the distinguished gentleman.

Mr. AMLIE. In the last 2 years of the Hoover administration, when the policy of the Republican Party was to do nothing, we had probably 14,000,000 unemployed. Relief was left to the States and local subdivisions. The average relief was about \$8 per month per family, and if the people had the sense to vote for Roosevelt in 1936 after he gave them something decent in the way of relief, that is not buying an election but simply showed a modicum of intelligence on the part of the electorate.

Mr. FLETCHER. I thank the gentleman very much indeed for his contribution to this discussion. It has been my observation that every time the gentleman speaks on this floor he has something to say that is right to the point.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FLETCHER. Yes; I yield.

Mr. CRAWFORD. The gentleman from Ohio has made a realistic speech. I personally appreciate that. According to the way this game of politics is played—and I know nothing about it because I have only had 3½ years' experience—on this side and on the other side, out in the field and all around, but has the gentleman during his life of observation and contact ever known one political party to adopt the program of the other party—when party No. 1 is in power—on the other side of the aisle?

Mr. FLETCHER. In answer to that question I may say to the gentleman that I have never made any research for the purpose of ascertaining in what degree one party adopts the platform of the opposition party and I have no knowledge as to whether it has ever been done intentionally.

However, I have observed that in many campaigns the party platforms seemed to have a striking similarity which, of course, might have been the result of unintentional coincidence.

All platforms seem to be very much alike in one respect at least, and that is nearly always they are promising platforms. They promise this and they promise that, and sometimes they are as much alike as two peas in a pod.

Mr. CRAWFORD. But it is not according to the rules of the game for one party to adopt the program of the other party, is that not true?

Mr. FLETCHER. Well, I suppose it is true; but if it is true then Mr. MICHENER, the distinguished Member of your own Michigan delegation, is evidently intending to break away from established precedent because only a moment ago he suggested or implied the adoption or approval of the Democratic 1932 platform, and since the G. O. P. apparently has no platform of its own to look forward to, Mr. MICHENER's suggestion appeals to me as being very practical. He is to be commended. I esteem Mr. MICHENER very highly, both as a friend and a statesman, and now that he wants our 1932 platform to have and to hold as his very own my admiration for him, great as it was, is now still greater.

After all, what the country wants is a solution to the problems that face us today. The people are not concerned as to which party gets the credit or who designs the program or the platform. What the people want to know is, Does the program or platform give us any assurance of securing results?

Mr. CRAWFORD. Then, I think that, continuing to be realistic, we should not lead the gallery and the public to believe that the rules of the game are going to be changed this session or any other session. When this side offers constructive legislation and the other side is in power, I have noticed that it is ignored, and I assume, according to the rules of the game, that if this side gets into power and the gentleman's side offers constructive suggestions, that they will be likewise ignored.

Mr. FLETCHER. If you will show me some constructive suggestions, no matter which party offers them, they will not be ignored so far as I am personally concerned. I will support them and gladly.

Mr. CRAWFORD. The gentleman is speaking personally now.

Mr. FLETCHER. Yes; of course, I am speaking personally, and I have never refused to consider constructive suggestions offered by your party or my party or any other party. I have never shut my mind against constructive suggestions from any source. What I am interested in is constructive suggestions, regardless of their origin, and I think the gentleman himself feels the same way about it. There is no man in this House who does more straight thinking than the gentleman from Michigan [Mr. CRAWFORD]. He has an

informed mind and an analytical mind and he does not have even a chemical trace of the demagogue in his make-up.

The gentleman's observation a moment ago is a timely one and he is stating the truth as he sees it.

Mr. CRAWFORD. I appreciate what the gentleman says, and as an individual we are fine fellows, but collectively where is the hope of the country?

Mr. FLETCHER. What the answer is to that question I have often wondered. The hope of the country! What a challenge! The gentleman has asked the question that at this moment is being asked by millions of baffled, confused, discouraged, and anxious people looking to us for guidance, depending upon us for help and for hope.

Well, indeed, may we ponder the question the gentleman from Michigan [Mr. CRAWFORD] has just propounded to me. "What is the hope of the country?" he asks. What of the future? What is ahead of us?

NEED FOR SOCIAL INTELLIGENCE

Of the hundreds of the nation's leading businessmen, industrialists, financiers, millionaires, and multimillionaires, captains of industry who have appeared before our congressional committees in the last 4 or 5 years, none of them seem to know the way out. Most of them criticize what we are trying to do, but they offer nothing better in its place.

Most of them cry: "Do not do anything. Everything will work out all right. Stop! Stand still! Our problems are only temporary. They will solve themselves. They always have in the past." They lean against the wailing wall and sob, "Let us alone, let us alone." They agree with our objectives but do not like our methods and yet they offer no other methods by which the objectives might be attained. What is at the bottom of it all? Stupidity, selfishness, greed, lack of social intelligence, dead-end minds!

IT CAN HAPPEN HERE

The gentleman from Michigan [Mr. CRAWFORD] asks, "What is the hope of the country?" Is there any hope in the Republican Party or the Democratic Party or any political party? Are political parties and politicians on the way out? Is some other form of government due to supplant democracy? Shall we of this generation be able to find satisfactory answers to the questions that are disturbing the hearts and minds of the troubled people of our day?

If we do not find satisfactory answers you can depend upon it that the people are going to do something about it. If we do not forget narrow, bigoted, selfish, partyism, cooperate and support the major portion of the only program that so far has been offered, then the present incumbent in the White House may be the last President of any political party. It can happen here; there is plenty of evidence it is on the way now.

WHICH WAY, AMERICA?

Never before has there been a better stage setting for the irresponsible demagogue, the rabble-rouser, the revolutionist, the enemies of liberty. Look at Italy, Spain, Germany, Russia. Read how and why it happened over there. We may well ask ourselves the question, "Which way, America?" if the enemies of the New Deal succeed in completely blocking its efforts and destroying its leadership.

The mouthing, slobbering demagogues of revolution who prey upon the discontent of the underprivileged millions can go out into almost any city of our land at this hour and by rabble-rousing appeals to prejudice and hate stir up the mob spirit which if it once gathers momentum and becomes organized may shake this Nation to its foundation.

Already we are beginning to hear the grumbling protests in the angry throats of dissatisfied millions who are clamoring for freedom from poverty, demanding an opportunity to do more, have more, be more, and live better in this the richest Nation on the face of the earth.

THE CHALLENGE TO STATESMANSHIP

How dare we sit here fiddling around, cussing this administration, denouncing nearly everything the New Deal tries to do; broadcasting bitter, hateful criticisms of our President

who is doing everything within his power to help the people now looking trustfully and hopefully to him for leadership?

Seldom in our Nation's history has there been a greater need for all economic, social, and professional groups, for all leaders of business and all politicians of all parties to stop this silly, petty, spiteful bickering and in the finer spirit of loyal patriotism and true statesmanship unite to end forever this monstrous thing of poverty amid plenty and thus fighting together in a common cause and for the common good help to preserve democracy and save America. [Applause.]

The CHAIRMAN. The gentleman has consumed 24 minutes.

Mr. BACON. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a few short excerpts.

The CHAIRMAN (Mr. McREYNOLDS). The Chair desires to announce that the House has already granted general permission to extend remarks for the balance of the session unless extraneous matter is to be included in the remarks, in which case permission must be obtained in the House instead of in the Committee.

Mr. GIFFORD. Mr. Chairman, how often have I pleaded with the last speaker that he take the floor more frequently and make similar speeches, because we recognize his great ability in discourse. When the Democrats of this House read his speech in the RECORD tomorrow morning their ears should certainly burn. It was not a Democratic speech; it was a strong indictment of the Democratic Party. In the last 5 long years he says, in effect, that you have made the country ripe for the demagogue, and he advises the Republican Party, should it come into power, that largesses would have to be continued.

Mr. FLETCHER. Mr. Chairman, I do not believe, if the gentleman heard me, that he should say what he did. I did not say the Democratic Party or the Republican Party; I said we, all of us. Now, if my speech amounts to anything the gentleman himself, having listened to it, ought not immediately to proceed to do a partisan thing which is way below his standard, his judgment, and his character.

Mr. GIFFORD. I paid the gentleman a very high compliment. I withdraw anything I may have said that is injurious. It will be in the RECORD, you see; they will still read your speech. I think the gentleman tried to be fair. He was fair.

Mr. FLETCHER. If the gentleman will point out any place where I was not fair, I will publicly apologize at this moment.

Why does the gentleman accuse me here before the Congress, a man I admire—and we have had many very pleasant conversations together and he knows my admiration for him—why does the gentleman accuse me here, or imply that I have done something unfair in my speech?

Mr. GIFFORD. The gentleman was absolutely fair.

Mr. FLETCHER. To do so is not fair. I take the blame myself; I am to blame; we are to blame. Let us quit this fiddling business and talk like broad-minded, constructive statesmen.

Mr. GIFFORD. We will try to do that.

Mr. FLETCHER. Let us not stoop to this trick stuff.

Mr. GIFFORD. The gentleman did a good job on the last speaker, after that manner.

Mr. Chairman, this is an era of spending. The \$300,000,000 carried by this bill is a lot of money. When added to the \$5,000,000,000 or \$6,000,000,000 for a spending program, certainly the thought comes to me that "in politics the paths of glory lead but to the gray-y." [Laughter.]

A tremendous amount of money is to be distributed over the country. We at first thought that the Congress would dictate how it should be expended, but we are reminded of the true situation by the caricature that appeared in this morning's press, depicting the President playing a harp with millions going this way and millions going that way, he giv-

ing them to whom he desires so that he may thereafter still retain the affections of the people.

I sometimes wonder about our President. I dislike to mention him specifically, but I do so only because he is the New Deal. Everything originates with him, and the Congress rubber stamps it; therefore we have to lay the burden on his doorstep.

Does he really love the masses as he would lead them to think he does, or does he want the masses simply to love him? I once read this little gem:

The lover is an egotist.
One thing alone asks he:
And that is not, love I the maid,
But does the maid love me?

To him this indeed seems to be the most important. No matter how he feels about it, do they love him? And I may say that a million dollars always makes any man handsome and wise. With a billion dollars, certainly this man assumes superhuman proportions.

A gentleman has asked the question, What would we do about it? I have attended many funerals of the Democratic Party. I have sat here many long years, wearily listening to your minority haggling with the Republican majority, never making constructive suggestions, talking against the tariff principle, but getting their products under the tariff in every single corner of their particular bailiwicks, never apparently really conscientious in their opposition, and always critical. But that is the duty, after all, of the minority party.

When we tell you, as we have told you lately, in emphatic language with reference to this relief problem, "Give it back to the States; give a larger proportion for direct relief," what do you do about it? Is that not a constructive suggestion?

Mr. FLETCHER. I voted for Mr. Bacon's amendment.

Mr. GIFFORD. That is like the gentleman, who really is conscientious and will favor sensible suggestions. I repeat, the Democrats ought to heed his speeches.

The next thing we should try to do would be to reassure business and investment of capital. We should not try to kill the goose that lays the golden egg. We should stop the profligate spending of money. The country is mightily afraid. I fear, however, that business and investment will not go ahead for some time with the captain whom we have at the wheel. The overtures he has made toward business have not materialized. How can it trust him?

The people look anxiously to Congress, but the Congress is now about to adjourn, having done practically nothing to allay the fears that stalk this land of ours. I want particularly to mention that terrifying public debt of about \$38,000,000,000, plus ten more liability of the Government, all of which is to be greatly increased immediately. Some of us have asked the question many times, "How great a debt can the Nation stand?" We have finally had it answered by the Harvard Business School of Administration. I want to read to you the words of Professor Copeland, which are brief but really answer the question.

"This question," he says, "has been raised time and time again. How much debt can this country stand?" As a matter of fact, just so long as an artificial market can be had for Government bonds by the Federal Reserve Board. There is no more a limit to the amount of bonds which the United States Government can issue than there is to the amount of paper money which Government printing presses can print.

Mr. HARLAN. Will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Ohio.

Mr. HARLAN. In considering the so-called \$38,000,000,000, has the gentleman considered the \$2,000,000,000 exchange fund and the two and one-half billion dollars cash, not to mention the tangible assets, that the Government has in corporate securities and other items? Does the gentleman always consider just the debt?

Mr. GIFFORD. I have talked about those recoverables many times. During his last campaign your President said

we had \$6,000,000,000 of them. I had it investigated and I presented the figures to show that it is less than \$4,000,000,000.

Mr. HARLAN. Even with those figures, it would only be \$34,000,000,000.

Mr. GIFFORD. But your cash is rapidly disappearing, as these recoverables are now being used for current expenses. I have a speech here, made by the gentleman from California on yesterday, which I have carefully perused and marked. He is a very able Member. He has many speeches in the RECORD. On yesterday he spoke about recoverables and mentioned battleships, post-office buildings, and other such things as real assets. He says those are assets that ought not to be counted in.

Mr. VOORHIS. Will the gentleman yield?

Mr. GIFFORD. If I have misrepresented the gentleman, I yield.

Mr. VOORHIS. In the first place, it was the New York Post editorial which I quoted and in which there was a statement about battleships and post offices being assets. I certainly do not call such things recoverables. I do say, however, that post-office buildings are assets and in a different category from recurring expenditures. In order to give an accurate picture of the financial situation of the Government it is important to keep the books in the same manner as they would be kept by an efficient private corporation.

Mr. GIFFORD. I understand the argument. We have heard it many times. However, they are assets which are constant liabilities in respect to maintenance. If business had assets of that sort and they had to keep their books in a separate way, they would exclude them, and record as assets only those things which are revenue producing and not those things which are comparable to these recoverables which the gentleman has mentioned.

Mr. BATES. Is there any way these assets can be made liquid?

Mr. GIFFORD. Oh, yes; we could perhaps sell the battleships to other war-minded nations.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. VOORHIS. If the gentleman will notice, that statement is that depreciation should be charged against all such assets.

Mr. GIFFORD. If you want to take refuge in that sort of bookkeeping, do so. Have two bookkeeping plans to fool the public, if you want to. But I for one am going to look carefully into these so-called real assets, and you have less than \$4,000,000,000 of them. Do not any longer misrepresent these facts to the public.

I wish to pay tribute to the gentleman from California. I have read many of his speeches. I cannot really read them all, for they are too voluminous. His quotations are very liberal. I do not know whether he is a dangerous young man or not, but certainly he is willing to travel on a new road. The gentleman even favors the Binderup bill, to print and give away 4 percent every year of the Nation's money supply. A dollar is supposed to be issued to represent something of equal value. It always did. But now, print the money, give it away as a pension. Also he demands that banks always have 100-percent reserve against demand deposits and let bankers be only custodians of such money as the people may desire them to invest for them. That plan is gaining adherents. It is a new road and should be carefully considered as to its final destination.

I have another article here which is very interesting to me. It is by our good friend on this side of the aisle, Hon. BRUCE BARTON. I do hope that his coming here, with the great reputation which is his, he will be of great assistance in the solution of our many problems. This article appeared in the Cosmopolitan Magazine. It is indeed thought-provoking. I told him I should refer to it today, and I regret he is not now in the Chamber. I wish you would read this article. The title of it is something like this:

"Let us travel in the middle of the road." He seems to be coming your way a little. In the article it is stated, "We are at the end of the old era." The gentleman from California said that yesterday. The middle of the road. He who travels in the middle of the road may get hit pretty hard from one side or the other. I am traveling to the right and you to the left. I shall stay on the right and let you leftists keep far enough away so I shall not get hurt. At least we will not collide and get nowhere. The middle of the road is a dangerous place in which to drive. He states, "I will now be regarded by my old friends as a radical, and I will still be called by the radicals a reactionary. All I can say is, that is a dreadful fix to be in."

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from California.

Mr. VOORHIS. I would just like to correct the gentleman. We do not call ourselves by that name, we call ourselves progressives. Other people call us the name the gentleman mentioned.

Mr. GIFFORD. I presume the gentleman would call me a reactionary in politics.

Mr. VOORHIS. I would not call the gentleman that.

Mr. GIFFORD. I am sure if the gentleman would follow the actions of my life he would find I was constantly called very progressive, so progressive it has been to my own suffering many, many times. No new path of business seemed to frighten me. I am certainly still following out that same idea in business. But I am not jeopardizing the safety of 130,000,000 people by embarking on highly dangerous theories involving inflationary new and untried propositions and money tinkering, as if money could be simply manufactured and printed and as if money did not represent the value of work, or the product of manufacture.

Mr. VOORHIS. So far as the gentleman's very last statement is concerned, may I point out that for myself, and I believe for many other people, our contention is that money should represent exactly what the gentleman has said, it should reflect accurately the production of wealth in the Nation.

Mr. GIFFORD. What you seem to want to do is to pump consuming power by printing money and giving it to certain people outright as pensions. That is your argument. It was in the gentleman's remarks on yesterday. I am following the gentleman closely. Some day he may get somewhere.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I always listen with intent interest to the gentleman's discourses. I wonder if the gentleman would yield to me to repeat the lines of a poem which does not bear directly on what the gentleman is saying, but which I believe may be very appropriate at this point.

Mr. GIFFORD. Yes, indeed; I love poems, as the gentleman knows.

Mr. RANDOLPH (reading):

There is a way and ways, and some choose the high way and some the low,
While in between on the misty flats the crowds drift to and fro;
But to every man there openeth which way his life shall go.

I thank the gentleman.

Mr. GIFFORD. I should like to follow that with the old song I used to sing. I could almost wish to sing it to you now.

Oh, ye'll take the high road
And I'll take the low road,
And I'll be in Scotland afore ye.

Yes; poems always appeal to me.

I did wish to arouse your interest in the Cosmopolitan article. Although the writer deplored a little bit the Republican viewpoint of the present day; oh, how he did berate the new dealers, so-called.

Raymond Moley, who stayed on for some 2 years with the New Deal, recently unburdened himself as follows:

For 2 years a number of us kept up the refrain with a growing sense of failure, since under our very noses the New Deal was changing to that second New Deal characterized by the corporate-surplus tax, the holding company death sentence, the tax on bigness, the Robinson-Patman Act, and other variations of the same theme—the theme that since there is just so much work to go around, work must be divided among as many people as possible, that prices must be held up, that bigness is bad, that business, the natural enemy of government, must be regulated within an inch of its life, and that ultimately the meat of private property must be thrown into the sausage grinder of the Treasury if people are to eat at all. It was at this point that some of us who were sympathetic with the fundamental purposes of the first New Deal became active critics of the administration.

Such men are now the critics. Talk about the certain Republicans who are in favor of the Reciprocity Act, so-called. Oh, the yelps of pain in the CONGRESSIONAL RECORD from the Democrats on that side, especially you from West Virginia who recently so painfully felt the effects of reciprocal-trade agreements. The RECORD is full of your pain-filled complaints. Oh, some Republicans like it, of course, because it fits their case. Many Democrats do not like it. It is a matter of what is best for your section, I suppose. It is hard on my section. I have just read that, because of the political dynamite involved, the compact with Great Britain is to be postponed until after the next election, and that the British Ambassador is leaving for home on a vacation.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. GIFFORD. I have quoted Raymond Moley. Let me quote others. My own viewpoint may not be persuasive, so I express the viewpoint of others who can speak with authority. I do not know the author of the following, but it is very expressive:

My business is so governed that it is no easy matter for me to find out who owns it. I am inspected, expected, suspected, disrespected, rejected, examined, reexamined, informed, required, summoned, fined, commanded, and compelled until I provide an inexhaustible supply of money for every known need, desire, or hope of the human race.

Mr. BEITER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Did you send this to me?

Mr. BEITER. Did the gentleman say that was a recent statement he had seen?

Mr. GIFFORD. Oh, no.

Mr. BEITER. I was just going to say that I saw a copy of that 4 or 5 years ago.

Mr. GIFFORD. People do enjoy hearing something they already know about. [Laughter.]

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. McCORMACK. A short while ago my distinguished friend characterized himself as a reactionary.

Mr. GIFFORD. No; I said I suppose you think I am.

Mr. McCORMACK. Oh, no, I would never think that.

Mr. GIFFORD. That is what I said.

Mr. McCORMACK. I was just going to say that I could not understand how my friend could be a reactionary in view of his fine vote on the wage and hour bill. [Laughter and applause.]

Mr. GIFFORD. Of course I am not. The gentleman and I sat in the Senate of Massachusetts together, and I believe the gentleman heard, as well as I did, Calvin Coolidge, then president of the Senate, say, "Expect to be called a stand-patter, but do not be a stand-patter." Does the gentleman remember that?

So we may expect to be called these things, but our people know whether we are stand-patters or reactionaries, I am sure.

Again I quote:

Investment confidence is being tossed around like a canoe in a northeaster by the continuing political storms originating in the White House.

I want to read what the president of the Armstrong Cork Co. had to say. Here is a real businessman and he knows what he is talking about:

Where is this road leading us, as it wends its way between smiling fields of Government subsidies, beside beguiling streams of Government propaganda, around hairpin curves of platform promise and Executive action, uprising mountains of taxes, and across the monotonous plateaus of Government deficits? From there will it glide down the pleasant slopes of inflation to end in the green fields of the life abundant, or—God forbid—will it lead us through the dark valley of the shadow of class hatred to the precipice of dictatorship?

Perhaps you read this morning Mr. Phillips' advice to the young people.

Mr. BRADLEY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Hurriedly, because I dislike to refuse to yield.

Mr. BRADLEY. I simply want to inquire whether the gentleman, in speaking of the Armstrong Cork Co., could inform us as to the differences in their earnings before 1932 and since 1932, if he has that information?

Mr. GIFFORD. I do not know about that, I confess. If they had any profits, the Government took a very large share of it.

Mr. BEITER. Or they probably donated it to the Republican Party.

Mr. GIFFORD. I hope gentlemen here read this morning the Phillips address to the graduating class. He did not hold out very much of promise for them, but he did hope that when they went off for their vacation this summer their families would be able to support them during that period, and that they could play their tennis, and also he did hope they would saw a little of the firewood and perhaps mow the lawn a bit. That is the way to talk to the young people today. But we are inculcating in these young people the thought that the Government should support them.

There are two theories, the gentleman from California [Mr. VOORHIS] said yesterday, and that is the right of every man to have a full-time job by private employment; and if he could not be furnished it, then the Government should employ him on public works. That is the sort of thing that you are telling the young people today—that the Government should provide jobs for them. You and I, those of us who are a little older, remember the days when we could not even get a grammar-school education, and when the only job, for instance, in our community worth while for any young man was as a clerk in the local store. All the rest of us had to work at real labor. Our fathers might have one or two hogs, but there was always that neighbor, the rich man, who had hundreds of hogs, and you could not get any of them unless you worked for them or found the money to buy them. Now you have a new way by which the Government will come forward and supply the money, or, what is worse, we will confiscate the hogs and redistribute them.

How times have changed. During the last 5 years you have inculcated in the young people of this Nation these new theories and doctrines. You have been trying to bring about something which we of the older generation, from actual experience, know cannot be done. Governments have existed for centuries and the same economic laws have always prevailed.

We cannot change those conditions overnight; yet these dangerous propositions that you are advocating are finding lodgment in people's minds. As you may have read in this morning's paper, when an automobile starter is being tested out they put a man on the automobile and keep that starter going hours and hours to see if it will stand the strain. Some of you seem to think that all at once, by a stroke of the pen, you can change our entire form of government despite the experience that past centuries has brought to us.

Mr. VOORHIS. Surely the gentleman does not really believe that I am interested in changing our form of government?

Mr. GIFFORD. In your conclusion in the speech of yesterday you say that you are not.

Mr. VOORHIS. Does not the gentleman honestly believe that the necessary foundation for a successful democratic government is the employment of people? Is not that so fundamental that it must come first?

Mr. GIFFORD. But the gentleman thinks that pensions are greatly desired to provide purchasing power.

Mr. VOORHIS. I think there are certain people in these days that cannot be reasonably expected to be employed. Technological change and other factors have brought us to the place where our older people—say those past 60—just cannot find places in industry.

Mr. GIFFORD. I really wished to talk about the railroad situation and shall incorporate what I have to say in these remarks, and if anyone cares to look at them I ask them to read it rather than now inflict myself further on the patience of the House.

Mr. HEALEY. Before the gentleman takes his seat, will he please state what Mr. Phillips he was quoting?

Mr. GIFFORD. H. I. Phillips, whose articles appear in the Washington Post every morning.

Mr. HOUSTON. The gentleman said that the policies of the Democratic Party, that is, the progressive and the liberal thinking members, had ruined the young people. Does the gentleman think that the C. C. C. camps and the National Youth Administration has ruined anybody? Does he not think that it has helped a little bit?

Mr. GIFFORD. Surely. A little bit; yes.

Mr. HOUSTON. And it has taken them off the streets?

Mr. GIFFORD. Certainly. A little bit; yes.

Mr. HOUSTON. I am glad to have the gentleman admit that.

Mr. GIFFORD. We have been greatly interested, and amused, to read of the La Follettes' endeavor to form a new party and their expression of great dissatisfaction with the New Deal, with which for so long a time they seemed to identify themselves. They have no real program and appear to resent any idea that they should have to explain their objectives. However, the following statement by Governor La Follette is highly intriguing:

We flatly oppose every form of coddling or spoon-feeding the American people, whether it be those on relief, whether it be farmers or workers, whether it be business or industry. . . . Whatever it may cost—so help us God—we shall use the power of these United States to restore to every American the opportunity to help himself. After that, he can sink or swim.

Does this program provide relief for the unfortunate who will be unable to swim?

Again, what are we to think of the proposition that the more the Nation owes the better seems to be its credit, as illustrated by the most recent borrowings at the lowest rate of interest on record? The reasons for this are but temporary, and the end will bring a bitter awakening. It is not surprising that Secretary Morgenthau exclaims, "We are on a 24-hour basis." Contrast our own methods with those of Great Britain, as stated in the following excerpt from the Columbus Dispatch:

Comparisons of the current British income-tax rate—27 percent—with the smaller levy on the pocketbooks of American Federal taxpayers furnishes on the surface a plausible argument to support contention that, after all, we're pretty lucky over here. But it fails to take into account a number of things.

In the higher brackets in this country the rate rises sharply; many of the States levy an additional tax of their own, something no Briton is called on to pay on top on the national tax; finally, the English taxpayer has the satisfaction of knowing that, regardless of how much he has to pay, it is being used to keep his Government currently out of the "red."

The British budget is balanced each year. There are no burdensome and constantly growing deficits which must be paid by taxpayers for generations to come and offer a serious menace to national credit. The cost of government may come high, but the individual citizen has at least the comforting assurance that the nation is paying its way as it goes—and that every shilling collected is being used to meet necessary and vital current expenses, and this is true even of the greatest armament program in history. Revenue isn't used for political patronage or public-works projects, which, however desirable, are not indispensable, or for just plain spending for spending's sake, undertaken in the nebulous hope of priming a hypothetical pump.

I quote also from Bishop Lawrence in a recent address:

We used to be told that debts were hazardous. Today we are told that the way to make money is to spend it before you get it. Brainy men who have never earned \$5,000 a year tell us in a blithe and easy fashion how to borrow millions; it will all come out right in the end.

I have no final objection to paying heavily for what I borrow, but I have a mean sort of feeling in passing those debts down to my children and grandchildren.

Why, who thinks of balancing the Budget? That is not what budgets are for. I am bewildered.

Indeed the whole Nation is bewildered.

Under the privilege granted to extend my remarks, I submit the following thoughtful article, furnished me by one whose training and experience entitles him to most respectful consideration:

Every student of the railroad problem has for a generation known that this country was insisting upon a policy of railroad competition which was ruinous to its railroads, which was found impracticable in other countries, and which should be eliminated here as there. This recognition was the basis of the Emergency Transportation Act of 1933. That act was established for the purpose of setting up an agency which would force the carriers to eliminate excessive duplication of facilities and service, which would require the elimination of competitive waste, and would force the carriers to prevent the dissipation of their economic substance through the cutthroat competitive practices which throughout the years have characterized railroad operation. This was an effort to prevent Government ownership; it was undertaken in recognition of what had been accomplished in England, where, in 1923, the 120 competitive railroads had been forced to consolidate into 4 great systems. This was accomplished in such a manner as to stabilize the British railroads and to prevent Government ownership. The British railroad industry is now solvent and sound as a consequence.

The administration of the Emergency Transportation Act was entrusted to Joseph B. Eastman, one of the outstanding experts in the railroad business of the country; and he set out to accomplish the stabilization of the railroad industry. Since it was apparent that the elimination of competitive practices and excessive competition would result in diminution of employment, even though it was proposed to protect railroad labor by the enactment of laws providing for dismissal compensation, Mr. Eastman's office was abolished at the instance of organized labor in the summer of 1936. Under the pressure of the lobby of organized railroad labor, it failed because of the lack of any support from the present administration. Since 1935, the railroads have been going from bad to worse. The country has had no railroad policy of any constructive intent or effect. Competitive practices still continue and the present collapse of the railroad industry is the consequence. The condition now exists where, as a consequence of the lack of any definite railroad policy on the part of the administration, Government ownership of railroads is just around the corner unless Congress shall undertake the formulation of a sound constructive program. The railroads of the country are now barely making their operating expenses. In the first quarter of this year the class I railroads of the United States had a net railway operating income of only \$19,276,663, which was an annual rate of return of 0.39 percent on their property investment. Gross operating revenues for the first 3 months of 1938 showed a decrease, as compared with the same period in 1937, of 21.1 percent. Sixty-five class I railroads failed to earn their operating expenses and taxes for the first 3 months of 1938, of which 26 were in the eastern district, 9 in the southern district, and 30 in the western district.

A large number of the very finest railroads in the United States are just one jump ahead of the sheriff. Some of the great railroads of the country, which for 50 years have not failed to earn their fixed charges, are not now earning their fixed charges. The railroad industry is faced with a general collapse and is in a worse condition than in its entire history, the condition being substantially worse than the condition in 1893. This collapse is not only serious from the standpoint of the railroads, but it affects the whole financial structure of the United States. The railroad industry is a \$26,000,000,000 industry and its collapse will mean the collapse of many other institutions.

There were 855,261 railroad stockholders in 1936. The number of bondholders is not known, but the widespread interest in railroad bonds among the population is evidenced by the fact that in 1936, \$6,617,000,000, or nearly 56 percent of the railway funded debt, was held by insurance companies, banks, endowed educational institutions, and foundations. The holdings of the life-insurance companies alone amounted to \$3,000,267,000. The very widespread interest of the common people in the railroads is not generally recognized. The insurance companies have about 120,000,000 policies outstanding. There are about 60,000,000 policyholders. The savings banks are tremendous investors in railroad securities. There are approximately 14,000,000 depositors in these mutual institutions, whose average deposit is only \$700. Fifteen percent of the assets of these mutual savings banks is invested in the underlying bonds of these railroads, and approximately the same percentage of the investments of the life-insurance companies is in such railroad bonds.

I believe that railroad labor should be protected, but I do not believe that Congress, in acting upon the railroad problem, should

consider the interests of railroad labor, of which there are under a million, above the interests of the investors in the stocks and bonds of the railroads, and of the millions of insurance-policy holders, and the millions of small depositors in the savings banks. When this Government, in 1936, abolished the office of the Federal Coordinator of Transportation at the instance of the organized railroad labor, and let the railroad problem swing adrift without constructive direction, it took a step which may have been temporarily for the benefit of organized labor, but which was a drive at the heart of the institutions which safeguard the invested savings of the people.

I believe that in the interests of all concerned, including the interests of railroad labor, Congress should take the steps necessary to see to it that railroads put their houses in order. I believe that the recommendations of the Committee of Interstate Commerce Commissioners should be adopted and that there should be set up the agency whereby the competitive abuses, which have long made the railroad industry unstable, should be prevented. It is nonsense to say that the troubles of the railroads are due to overcapitalization.

The findings of the I. C. C. under the La Follette Valuation Act of 1913 disproved that. When the railroads are barely earning operating expenses and are paying about one-third of 1 percent on their investment and less than a tenth of their fixed charges, it is untrue that the trouble with the railroads is that the fixed charges are too high. Corporate reorganization will not save a railroad which does not pay fixed charges. What is needed is that the railroads be required to make both ends meet. If the roads are to make both ends meet, and if they are to continue to pay the present high wages, they must eliminate competitive waste. The stopping of competitive waste can and should be done in a manner to protect railroad labor by providing for dismissal compensation. The railroad brotherhoods now, in fact, have a contract with the railroad managements under which they are given a full measure of protection, this contract having been signed in the summer of 1936. Unless the Government is willing to take the responsibility which the President has put upon it by his message of April 11, 1938, the roads will completely collapse. They will have to be taken over into Government ownership, and the tremendous financial burden of their acquisition, together with the prodigious expenses of their uneconomic operation, will then fall upon the taxpayer.

Personally, I express great regret that this administration has failed miserably to come to the rescue of this great utility and sits calmly by watching the savings invested by our people disappear.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, I read in the Record that appeared at my door this morning a very fine statement from my colleague from California [Mr. VOORHIS] in regard to some of the puzzling questions that are facing us. I considered it a well-thought-out discussion, and I did not feel worried about the country because such suggestions have been made. My neighbor from California is a comparatively young man, but I regard him as having a wise head on those young shoulders. His economic views, so far as I have learned them, are worthy of serious study by the Members of this body at this juncture of our national affairs.

I feel that I must take issue with the gentleman who has just spoken in regard to the prospects facing young America today. I am a school man, as is my colleague from southern California. It may be that we are overenthusiastic regarding their merit, we who have dealt so recently with young Americans. It may be that we are overenthusiastic in regard to their future, although, frankly, I have moments when I do not need to listen to my friend from Massachusetts to feel apprehension concerning the future of these young people today coming out of high schools and colleges. I have three of my own; and many hundreds of my educational offspring recently out of high school or college, and I, too, am deeply concerned whether they have a rendezvous with destiny and just exactly what is over the hill for them. I, of course, am somewhat in sympathy with my friend from Massachusetts. He is equally anxious about the future of our posterity. I think I am less apprehensive than he about their future.

I am proud of that social heritage from New England from the Pilgrim Fathers. I acknowledge America's debt to the fine virtues implanted on the shores of New England and carried across the continent even to the far Southwest where I live, but those are not the only virtues, although they have played a part in making America great, the virtue of hard work, thrift, and continual striving. While admir-

ing and paying tribute to what these virtues have done for America, I want at the same time to say that in this modern age, science and the progress of learning being what they are, we have got to look ahead rather than look back. I believe that is what the gentleman from California is doing, and that is what I am attempting to do, to see what we can accomplish by way of reshaping our institutions so that we may continue to have much free private enterprise, the will to do, and a great degree of individual liberty in doing it, while making available all that science has accomplished for a better America for the many and not only for the few.

Mr. Chairman, we have arrived at a new day. Our young folks were born into a different world from that into which we were born. We cannot, even if we would, turn back the clock of time a half century, or a quarter century. This generation now in maturity has made this new world into which our children have been born, and we must face its problems.

I am a student of history. I value what the past has contributed. I do not want to junk it and say, "Now, we will turn our faces against all human experience as we go into new and untried paths." I must say, however, that America's task is not that of China, relying entirely on reverence for the past and with the backward look. If we look steadily backward while trying to make progress, we shall very likely stumble into a ditch. I prefer this forward look.

Mr. VOORHIS. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. I yield.

Mr. VOORHIS. The gentleman has been the dean of a college, I believe.

Mr. MURDOCK of Arizona. I tried to be.

Mr. VOORHIS. I have tried to run a school for boys. I suppose the gentleman has had the same experience I have had many times when he would have given anything if he could have found five or six real jobs for those young men. Is not that true?

Mr. MURDOCK of Arizona. That is absolutely true.

Mr. VOORHIS. In my opinion there is nothing so necessary to maintain the fiber of future American generations as jobs of some kind. Perhaps from experiences similar to mine the gentleman himself has come to the conclusion that we here have a primary duty to see to it that we have employment, that we when necessary offer them useful labor, building up the Nation for their own success as well as that of the Nation.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield that I may qualify?

Mr. MURDOCK of Arizona. I yield.

Mr. GIFFORD. I said I did not have any education. I taught high school for 12 long years. I know young people thoroughly, I am sure. I think I can qualify with every one of you.

Mr. MURDOCK of Arizona. The point I am trying to make, Mr. Chairman, is that we must look toward a new day, paying proper attention to that which the past has contributed. Now, I want my friend from New England to know that I value the sturdy virtues of working. We may have to change the form but there is no substitute for it.

I was brought up on a farm. At that time I used the 8-hour day—8 in the morning and 8 in the afternoon. I know what it is to go out and saw wood, milk cows, and do the various chores. I regret that young America today lacks some of that hard training. I do not believe, however, that it is necessary for us to go back to the hard school of Jonathan Edwards in order to create sterling character. I say that in behalf of modern education and the character of young America.

I want to amplify just a bit further my philosophy. I fear, as some of my colleagues on this side of the aisle seem to fear, that we are in danger of pauperizing our people. Would to God we could so dispense our relief employment that we would not break down the morale of our people. Every time I vote on a relief bill I sweat blood. When my friend, the gentleman from California [Mr. VOORHIS], says

that we ought to appropriate \$2,200,000,000 instead of \$1,000,000,000 I sweat blood, fearing that my vote may be taking bread out of the mouths of hungry children. On the other hand, I do not want to vote such large appropriations that they might be squandered "to make a Roman holiday."

Our immediate problem is to carry on a constructive program in such a way that we will furnish increased buying power and at the same time create not too great a dependency or reliance of the ordinary population upon the Federal Government. I appreciate, as does my friend from New England, what it means to have self-reliant citizens, and I want all of our people to have that born and bred into them and developed through our institutions.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, I share the concern of my friend from Ohio as to what we are going to do about the mess in which we find ourselves. I appreciate the frankness with which he has recognized the difficulty and the necessity of constructive suggestion. Therefore, I want to submit my own humble offering from the State of Maine as to one of the ways in which we may progress. I realize it is of a radical character in popular impression, associated with what is supposed to be the lunatic fringe of economic progress. It is a matter to which I have given considerable thought and upon which I possess very deep convictions.

I take it that everyone agrees that we want to preserve America. We want to go forward along constructive lines. We have tried out the pump-priming plan. May I say that before this administration came into power, I was an advocate of pump priming. In 1928 when Herbert Hoover was elected President of the United States he authorized me to communicate to the Conference of Governors meeting as the guests of the late lamented Huey Long in New Orleans a proposal that in the event of an economic recession we should have a pump-priming public-works program of \$3,000,000,000. That was very widely commented on at the time and was the result of a study made by Mr. Hoover's committee on the economic cycle which he had inaugurated while Secretary of Commerce.

When the recession came, influences persuaded the Congress and the administration not to adopt that course. It was then thought that the depression was soon going to end. We realize now that we lost 4 years by not starting in immediately to cope with the situation when it arose.

Mr. Chairman, following my election to this House during the present administration, I went to England where they had started on this program immediately. It seemed to be very amply demonstrated in the English experience that there were definite limits to a public-works program. They carried it out in connection with their housing program with amazingly successful results. I rode by thousands of lovely little homes that had been built under the English program at an expenditure of less than \$50,000,000 a year—committed over a period of 40 years. This was to absorb the differential in costs as an encouragement to this construction. That is the only burden on the British treasury. They did not borrow. They did not give. They simply pledged a single contribution of approximately \$5 a month to take care of the differential in the rent.

They came to the conclusion that that was about as far as they could go and that in their public-works program there also was a definite limit beyond which you would discourage rather than encourage the recovery that was desired.

I very much hoped that the administration here would move along that line. We went on with the pump-priming and relief programs on a tremendous scale. Everybody knows to what it has led during this past year when the stimulation was gradually withdrawn.

Now we are appropriating \$4,000,000,000 to start off on another similar procession. No one has any great confidence that if the fifteen to eighteen billion dollars we spent before did not bring us out—with all the high hopes we

had, with all the courage and confidence stimulated 2 years ago—that this is going to get us anywhere. It may simply suffice to keep us from absolute collapse. Yet now even that seems doubtful.

It seems to me that we must very shortly move toward a sound basis. I am another one of those who subscribed pretty cordially to the Democratic platform of 1932.

Aside from its tariff theories I believe I would find myself in almost complete accord with that program. If we are going to get back on an even keel we must progress in that direction. The only way in which we can get our economic machine to function is by restoring confidence. The most sinister sign I see in the last few months is that the velocity of the circulation of money is at the lowest depth we have ever known—far lower than it was in 1930, 1931, and 1932. This demonstrates that it is not merely a question of the quantity or the quality of money but also the velocity of its circulation that is really at the root of our economic problem.

A great many people, and I am afraid their number will increase if we do not do something, believe that the way to solve this problem is by money-tinkering. We have been hearing some discussions of that in recent days.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Alabama.

Mr. PATRICK. I ask this just for information. Do I understand the gentleman to take the position that we ought to have no pump priming at all?

Mr. BREWSTER. No; that is not at all my position. I said there were very definite limits to what pump priming could do, and that the minute you get beyond those limits you begin to go downhill.

Mr. PATRICK. Has the gentleman a measure for his limitation? Of course, we are not expecting a technical statement of it in hundreds or thousands of dollars, but has the gentleman a certain measure, a straightedge, whereby he can define what would be a fair and just measure for his limitation?

Mr. BREWSTER. That is what I am going to try to give the gentleman.

Mr. CRAWFORD. Before the gentleman goes on with that, may I ask a question on the statement the gentleman has just made, so that the record may be clear? When the gentleman referred to "money tinkering," which I believe was the term he used, the gentleman did not mean to say he objects to sound banking reform? The gentleman does not mean to leave that impression?

Mr. BREWSTER. Certainly not. If you consider the word "tinkering" to be a reflection, I would distinguish between banking regulation and money tinkering. When I speak of money tinkering I refer to printing money and to theoretically borrowed money. I refer to cutting the gold content of the dollar. To me that is money tinkering. Those are the things which in my judgment do not get us very far.

Mr. CRAWFORD. I wanted that brought out clearly, because in 1913 we had the great banking reform we now understand as the Federal Reserve.

Mr. BREWSTER. Right.

Mr. CRAWFORD. From time to time they have made drastic changes in that system. I am sure the gentleman does not object to reform of that nature.

Mr. BREWSTER. That is not in the category to which I refer.

Mr. PATRICK. Will the gentleman be sure not to let the gentleman's questions divert him from his definition of the measure of his limitation?

Mr. BREWSTER. I shall answer the gentleman's question.

In the first place, how are we to get a balanced Budget and return to financial sanity? "Too often in recent history liberal governments have been wrecked upon the rocks of a loose fiscal policy." I trust most of the gentlemen will agree with that statement of our distinguished President. That is the thing which it seems to me is creating very serious

unrest. That is why I have been more and more led to consider with favor the proposal that we should adopt an old-age pension system as the most convenient medium of stimulating the circulation of money and taking care of a substantial portion of our relief problem by a pay-as-you-go plan on a national basis, financed by a direct tax widely distributed, which, curiously enough, was the pledge of the last Republican platform adopted in the city of Cleveland.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Ohio. [Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 additional minutes to the gentleman from Maine.

Mr. FLETCHER. Is the gentleman advocating the transaction sales tax device as a means of paying as we go?

Mr. BREWSTER. That is certainly one method of accomplishing this result and well within the principles laid down in the Republican platform.

Mr. FLETCHER. It would require about \$24,000,000,000 in taxes a year to take care of 10,000,000 people on the basis of the best researches that have been made on that subject.

Mr. BREWSTER. I propose to address myself to the General Welfare Act that is now pending before this House but which the Democratic majority has refused to permit a hearing upon. That does not provide any such sum, as I assume doubtless the gentleman knows.

Mr. FLETCHER. About \$34 or \$35.

Mr. BREWSTER. Would not the gentleman find out just what the bill actually provides?

Mr. FLETCHER. I have observed that the gentleman has been referred to as favoring the plan. I am not a Townsend plan advocate, but in the Cleveland convention the gentleman was quoted by Dr. Townsend as favoring the plan. At one time they anticipated trying to get the gentleman to be one of the directors of the movement.

Mr. BREWSTER. I have long been much interested.

Mr. FLETCHER. I was wondering whether or not that represented the gentleman's remedy or his tax device to pay as we go.

Mr. BREWSTER. I propose to make my position clear, if the gentleman will permit.

Mr. FLETCHER. The original Townsend plan?

Mr. BREWSTER. I may say to the gentleman I am addressing myself to the legislation now pending before this House, with which I hope the gentleman is familiar.

Mr. FLETCHER. Yes; I believe I am fairly familiar with it.

Mr. BREWSTER. Then the gentleman knows it is entirely at variance with the statements he has just made.

Mr. FLETCHER. I was trying to get this information. The gentleman has changed from advocating the original Townsend plan to advocating the general welfare plan; is that the idea? I do not want to be impertinent.

Mr. BREWSTER. How does the gentleman assume I have changed?

Mr. FLETCHER. I am asking the question in a kindly way for the purpose of asking another question.

Mr. BREWSTER. I have at all times made my position perfectly clear. In 1934 I advocated old-age pensions on as generous a basis as the finances of this country would permit. On that basis I was elected to Congress. That was my position. If the gentleman believes that is inconsistent with the proposal now pending, very well. I have evolved, I have grown, I have learned by the bitter experiences of the past 6 years.

Mr. FLETCHER. May I say to the gentleman, far be it from me to imply any such thing as that. I merely ask for information if at the present time he advocates the general-welfare plan that still retains the transaction-sales tax?

Mr. BREWSTER. I should be happy to have a chance to vote for such a measure or any reasonable modification that the gentleman's associates would permit to come before the House.

Mr. FLETCHER. And is that the device he would suggest to take care of old-age pensions, bring about recovery, and solve the problem?

Mr. BREWSTER. I do not know that the Members of the House would be interested in my repeating my statement, but for the benefit of the gentleman, who has a very acute mind, I will repeat what I have said before. I believe in an old-age pension plan on a pay-as-you-go basis, with a national system and with a direct tax widely distributed. Is that sufficient?

Mr. FLETCHER. Yes; and I can agree with that.

Mr. BREWSTER. And that is the principle of the Republican platform adopted at Cleveland, and I find that entirely consistent with the legislation pending here.

Mr. FLETCHER. Yes. I thank the gentleman.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. TREADWAY. May I ask the gentleman whether or not, as an advocate of an old-age pension system, he has been satisfied that the Republican minority members of the Ways and Means Committee have been anxious and always ready to give the system to which he is referring ample hearing?

Mr. BREWSTER. I know that the gentleman, who is the ranking Republican minority member of the committee, and all his Republican colleagues have been insistent, in season and out of season, for more than a year now, ever since the gentleman made the motion in the Ways and Means Committee to give a hearing to the advocates of this plan. This opportunity of hearing has been consistently denied by the Democratic majority on the other side, even though over 145 Members of Congress have asked for a hearing. I believe that a day of reckoning is going to come, and that such an un-American approach to a problem of this character is not going to prevail indefinitely.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. BREWSTER. I yield.

Mr. GIFFORD. I am greatly interested in "a tax widely distributed."

Mr. BREWSTER. Yes.

Mr. GIFFORD. Does the gentleman favor a tax on gross income or gross sales?

Mr. BREWSTER. The suggested tax on gross income, which is, I think, the Boileau plan, has never been defined. The gentleman from Wisconsin [Mr. BOILEAU] has never reduced it to writing and I do not know what it means. The transaction tax or the turn-over tax has a most conservative background. Senator Smoot had a very similar proposition in the Senate 15 years ago. The Ways and Means Committee of the House in 1932 under Democratic control recommended a very similar tax to the House.

Mr. GIFFORD. The gentleman understands the difference between a transaction tax and a gross-income tax. The gentleman would not want to tax a person or a corporation that lost a lot of money by taxing it on its gross income?

Mr. BREWSTER. I think that the conservatives of this country had better think pretty seriously about blocking indefinitely our progress along this line. I am willing to be pretty liberal as one of those who wants to pay my share.

Mr. GIFFORD. That is entirely apart from my question. I asked the gentleman whether he would want to tax a person or a corporation that lost a lot of money on its gross income.

Mr. BREWSTER. I will say to the gentleman that I do not know what he means by "gross income." I will say I have never been an advocate of what is termed a "gross income tax," because I have never understood precisely what was meant.

Mr. GIFFORD. I hope not.

A REPUBLICAN VIEWS THE TOWNSEND PLAN

Mr. BREWSTER. The Townsend plan invites the thoughtful consideration of every American who is concerned about preserving the American way of life.

A balanced Budget, fiscal sanity, equitable taxation, proper care for those in need, and opportunity for the young are what America desires. Every one of these desirable and necessary objectives may be measurably advanced by the operation of the Townsend plan.

AT \$200 A MONTH

Two hundred dollars a month for 10,000,000 old people would require \$24,000,000,000 a year. This certainly does not sound like financial sanity or a balanced Budget, and this has been the beginning and the end of most discussions of the subject.

Curiously enough the Townsend plan is the plan that no one knows, if one may paraphrase the best-advertised Member of the House, Representative BRUCE BARTON, of New York.

The Townsend plan has been presented in legislative form in the Congress for the past 4 years. Both the proponents and the critics have been in full agreement that the proposed legislation does not provide \$200 a month. As a matter of fact, all are agreed that it comes much nearer to providing fifty to sixty dollars a month—perhaps \$53 per month.

Yet the critics have much preferred to discuss the larger figure as a more impressive straw man at which to shoot. On the other hand, many of the friends of the legislation have not been too particular to point out the figures that were actually involved.

The idea is amazingly simple, and in that lies its chief charm. A general tax, widely distributed, is to be levied upon all the people of the United States. All will participate in its benefits, and therefore it is equitable that all should share in its support. The proceeds of this tax are to be distributed pro rata to each citizen of the United States over a certain age.

DR. FRANCIS E. TOWNSEND

Dr. Francis E. Townsend, the originator of the plan, is such a hide-bound old conservative that he did not suggest printing money or borrowing money or cutting down the gold content of the dollar. The doctor was apparently somewhat more conservative than J. P. Morgan, who at least gave his blessing to the gold manipulation of the New Deal.

Much argument has been had as to whether Dr. Townsend is a fool or a fake. I presume he is no angel, or he would not be upon this earth. A simple soul must, however, have some elements of greatness in being singled out for two distinctions that are unique. Even J. P. Morgan and Thomas A. Corcoran were allowed to make full statements of their views before an investigating committee of the Congress. But this supposedly American privilege was denied to Dr. Townsend when he was summoned before the inquiry by eight Members of the House. Apparently the New Deal anticipated an immediate collapse if Dr. Townsend should be permitted to speak his piece and bare his soul before a committee of the House.

Finally walking out of the House committee after 3 days of inquisitorial examination, Dr. Townsend was convicted of contempt of the committee—an opinion which was shared by millions of his fellow citizens because of the outrageous violation by the committee chairman of every tradition of Anglo-Saxon parliamentary procedure.

Dr. Townsend then became the only man in the history of the United States so far as the records show to receive a Presidential pardon without a personal request. Everyone is at liberty to speculate as to the considerations that motivated this unprecedented action but the facts speak for themselves.

The pardon was apparently requested or recommended by the Speaker of the House, the majority leader, and the chairman of the committee immediately concerned. The latter showed at this eleventh hour a sympathetic concern for the doctor that had been previously well concealed.

Some of the other current victims of the New Deal purge would perhaps now appreciate similar consideration for their deviations from party doctrine.

BUDGET BALANCING

Budget balancing, however, is the most immediate concern of many thoughtful Americans. Very few have hitherto suggested that this had anything to do with the Townsend plan. As a matter of fact, it is the most perfect, the most automatic, and the most sure-fire method of balancing the Budget that has perhaps been proposed in the history of the United States or any other land. Nothing is paid out that has not previously been taken in. Tax anticipations are entirely excluded from the plan. All pensions are automatically adjusted to the revenues that flow in. One might easily dream that Andrew Mellon was again in the Treasury, and all was well in the realms of high finance.

"Too often in recent history liberal governments have been wrecked upon the rocks of a loose fiscal policy." The nightmare of a financial crash must haunt the waking dreams of any person of good sense as the ever-mounting deficits are reflected in the scourge of unemployment—exactly as was predicted by the prophets of the New Deal in 1932.

Taxes are deflationary and government expenditures are inflationary, and each is exactly balanced in the plan that is proposed.

Whether this plan would eliminate the remaining problem of relief is a matter of opinion, but it is my deep-seated conviction that such is likely to be the case. It is upon that hypothesis that I believe this plan affords the best method for that balancing of the Budget which every thoughtful American so fervently desires.

It is my considered judgment, after watching 6 years of the operation of the variegated theories that have been presented for our recovery, that the country would very quickly settle down and confidence would be restored among businessmen everywhere if there were in the Congress a recognition of the necessity of stabilizing conditions and that without delay.

At the present time the administration is pilfering the pennies from the pockets of the poor in order to finance the current extravagances of the Government.

Money taken from pay-roll taxes everywhere each week is being daily used to pay the current expenses of the Government although it is gathered as a trust fund to provide for unemployment and old age. When the wage earner gets there the cupboard will be bare except for the I O U of a government that has already repudiated its monetary pledges on a wholesale scale.

SENATOR SMOOT

Certainly Senator Reed Smoot, of Utah, was never suspected of radicalism. Yet he is the parliamentary progenitor of the tax that is here proposed. As an authority on taxes to which he had given a lifetime of study Senator Smoot in 1922 proposed a tax from which this proposal has naturally and logically evolved.

In 1932 the Ways and Means Committee of the House under Republican control carried the evolution of this tax a step further and twice recommended direct taxes widely distributed as the key to the solution of the increasing financial problem of the Government.

No more conservative committee has perhaps ever approached the consideration of our tax problems. Since then we have been experimenting with attempts to levy tribute upon the higher brackets. The result has been steadily diminishing returns.

Conservatives and liberals alike are gradually coming to the conclusion that the people cannot be much longer fooled.

The people in substantial measure are ultimately going to pay the bills. They are rapidly getting ready to recognize this fact. The wage earners—comprising approximately one-third of our population—are at present financing a substantial part of the Federal deficit through the medium of

the pay-roll tax. Certainly it would be far more equitable to include the other two-thirds of our population in the support of the Government.

DIMINISHING RETURNS

In 1934-35 the capital-gains tax was included with taxable income and thus subjected to graduated high returns on progressive levies as advocated by the President.

Yet the tax was only 11.7 percent as productive as the income tax.

Back in 1927-28 the capital-gains tax was a flat rate, and in those years it was 93.6 percent as productive as the income tax.

Surely this indicates that the graduated high rates discouraged the realization of capital gains and froze investments, which is exactly what is not desired in an expanding economic system.

OLD-AGE PENSIONS

Certainly all will agree that if anyone is to receive relief it should be the older people of the United States who have reached their declining years. If those millions are properly cared for the younger people of the United States will welcome the opportunity to scramble for their share.

The existing taxes, other than the social-security taxes, should be adequate to care for the necessary expenses of the Government in the period of governmental liquidation that must shortly be at hand, and also to take care of the necessary service of the debt.

Next March it will become entirely apparent that government can no longer progress in its attempt to soak the rich. A \$5,000,000,000 deficit will stare the country in the face and bring the entire New Deal house of cards toppling about our financial heads.

Then will be the time that the country will begin to sober off. Then will the country face the momentous decision as to whether we shall cast all discretion to the winds and start down the inflationary trail to the destruction of all the values that have made this country great or whether we shall take the harder road of resolutely putting our hand to the plow and starting back toward the American way of life.

As the country enters that valley of decision to choose which way it will decide to go, it is well that the country should be soberly considering the method by which this country has grown great.

Whether the economic collapse of the last decade was the result of causes within or without this land, and whether one or another set of individuals were responsible for this collapse or whether we all shared responsibility in the heedless gay gambles of the twenties is not, perhaps, necessary now to determine.

The country has learned its lesson and is ready now in sackcloth and ashes to climb back up the mountain heights that America spent three centuries in achieving, and from which we descended in the brief decade that is now past.

In 10 generations we created or saved \$300,000,000,000. In one decade we have destroyed or mortgaged nearly half of this accumulated wealth. Perhaps, like the country church, we shall flourish under the mortgage if we do not lose the religion that gave it birth.

THE NEW DEAL

The New Deal recognized the irrepressible conflict between the Townsend plan of salvation and the New Deal conception of a regimented life far more clearly than most of its critics. Very early careful attention was given to the division of its advocates and with a considerable measure of success. The chief promoter was also dignified by an attention hitherto reserved for J. P. Morgan and other malefactors of great wealth. Still the idea would not down. Its proponent was then accorded a Presidential pardon without the formality of a request and was dignified by an hour's conference at the White House in one of the famous fireside chats 3 days after emerging from the precincts of the District jail.

VARYING VALUE OF MONEY

One of the attractive features of this proposal is its accommodation to the varying income of the country and the purchasing power of money. In the past 10 years the national income has varied from over eighty billion to under forty billion. In the past year the national income has declined approximately \$10,000,000,000 from sixty-five billion to fifty-five billion. Part of this fluctuation is doubtless attributable to the changing value of the dollar. Part is attributable to the productivity of our farms and factories and the varying activity in the country.

A general tax on a percentage basis widely distributed automatically adjusts itself to these fluctuations from year to year.

In each of the last 10 years the productivity of this country has been from twenty to forty billion dollars below the amount reached in 1929, or far more than the amount involved even in the most optimistic estimates of the Townsend advocates.

As a matter of fact the careful studies of the Brookings Institution indicate that the present productive mechanism of the country without increasing capital facilities in any way could comfortably produce an annual income of \$125,000,000,000 a year—or nearly 50 percent above the peak reached in 1929.

Meanwhile in the current New Deal depression of 1937-38 the velocity of the dollar has sunk to its all-time low which is another interesting indication of the economic fact that prosperity depends not merely upon the quantity and the quality of money but also upon the velocity of its circulation.

POLITICS

What are the politics of this situation? By politics I mean the translation of sound economic sense into fundamental law.

The Democratic attitude is determined in large measure by which wing of the dominant party one may approach. The Jeffersonian Democrat is likely to be sympathetic to the idea when he once understands its implication as a modern version of the Jeffersonian concern for the welfare of the common people and the preservation of an American way of life.

The Jeffersonian pauses, however, over the suggestion of a new form of taxation, and particularly one that rests upon the people as a whole, as he is more apt to think in terms of attack upon concentrated wealth. The Jeffersonian also has a rather deep-seated reluctance to expand the contacts of the people with their Government either in the way of taxation or pension and hesitates as to the implications that may be involved in making the people ultimately dependent upon a common source of supply.

REGIMENTATION

The New Dealer, on the other hand, recognizes the fundamental conflict between the regimented concept of our civilization, which is implicit in all the measures of the New Deal, and the preservation of the competitive and individualistic system by the Townsend old-age pension plan, with its primary emphasis upon the long-recognized use of the taxing power for social ends.

There is much to be said for the contention of the more logical of the New Dealers that the competitive system of economics has run its course and that it must be followed by a much more closely coordinated economic system, controlled in large measure from a central source. One must only regret that they will not more frankly avow their objective and support its need in order that the American people may determine for themselves which course they will decide is best.

The aspect of the matter which more than all else the American people are coming to resent is the suggestion of being led blindfolded toward an objective that is not frankly revealed.

There is here no suggestion as to the lack of loyalty of some members of the Democratic Party to the proposals of

Dr. Townsend, but Democratic Members of Congress have been constantly embarrassed by the New Deal hostility to progress along this line.

The Democratic Party and Democratic Members of Congress as a whole must assume responsibility for the absolute refusal of the Ways and Means Committee of the House to accord hearings to the General Welfare Act throughout the past 2 years.

This committee is under the control of the Democrats by a majority of 3 to 1. The Democratic majority of this committee are not only the controlling authority in the Democratic Party as to their attitude on fiscal affairs but in addition the Democratic membership of the Ways and Means Committee constitute the Committee on Committees of the House, which means that they are the centralizing and controlling authority in matters of party policy and discipline.

With a very definite eye upon the Townsend plan the first action of the Democratic majority in the Congress 4 years ago was to amend the rules of the House in order to provide that a bill could be taken away from a committee—which chose to smother it—only by a petition of 218 Members of the House or a clear majority of the membership in place of the former rule requiring a petition by only 145 Members.

The adoption of this rule coupled with the absolute refusal of the Democratic majority of the Ways and Means Committee to accord a hearing on the General Welfare Act has resulted in very effectually smothering this legislation for the entire life of the Seventy-fifth Congress.

If there is such a thing as party responsibility the Democratic Party must assume full responsibility for this attitude and action. The right of citizens to present their case to duly constituted committees of the Congress is one of the most essential rights of American citizenship and yet this right has been completely denied in spite of the fact that millions of Americans have asked for a hearing on this measure and its consideration by the Congress and more than 145 Members of Congress have asked for a hearing, but all in vain.

On the other hand, the Republican members of the Ways and Means Committee of the House have steadfastly in season and out of season urged that hearings should be granted upon the General Welfare Act. Congressman ALLEN T. TREADWAY more than a year ago made a formal motion in the committee that hearings should be granted upon this legislation, and every Republican member of the Ways and Means Committee formally recorded themselves in favor of this motion, and repeatedly throughout the past year the Republican members have urged that hearings be granted upon this measure, but the Democratic majority have steadfastly refused.

A majority of the Republican Members of the House have signed the petition to bring the General Welfare Act to the floor, although this is a most unsatisfactory method of considering a measure of this importance, but it is the only feasible way by which Congress may secure consideration of this matter, in view of the attitude of the Democratic majority of the Ways and Means Committee.

If any such proportions of the Democratic Members of the House were ready to sign the petition, the measure would have long since been before the House for a record vote which at least would place the Members squarely on record in the matter for the information of their constituents.

REPUBLICAN ATTITUDE

Many people assume all too readily that there is a wide gulf between the economic conceptions of the Republican Party and the advocates of the Townsend plan. As a matter of fact, it would be more accurate to say that the difference is represented by approximately \$3 a month. This does not seem a very wide gulf to bridge among citizens whose Anglo-Saxon traditions incline them to accommodation.

The Republican Members of the House at a Republican conference indicated their readiness to support an old-age pension of \$50 a month, and contemplated the presentation

of such a proposal as an amendment to the Social Security Act. The Democratic proposal offered a maximum of \$30 a month, which is the present law.

After some further consultation in order to go as far as possible in inviting the cooperation of the Democratic majority, Congressman ALLEN T. TREADWAY, as ranking member of the Republican minority on the Ways and Means Committee, offered an amendment providing \$40 a month as an old-age pension. This proposal was supported by practically every member of the Republican minority and was opposed by practically every member of the Democratic majority. This was the last record vote upon this matter and showed the Republican Party, through its House membership, as 33½ percent more liberal than the Democrats and quite ready to increase the Democratic proposal by 66⅔ percent.

Meanwhile the present General Welfare Act upon the current national income is estimated to provide approximately \$53 a month, or a difference of \$3 between the amount which the Republican Members of the House were ready to support and the amount which is asked by the General Welfare Act.

The attitude of the Republican Members of the House is fully supported by the Republican platform adopted at Cleveland in 1936 and the charter of Republican policy until the next Republican convention shall convene.

The plank in the Republican platform dealing with social security declared unequivocally for a pay-as-you-go old-age pension plan on a national basis financed by a direct tax widely distributed.

These are the essential principles of the Townsend proposal although the Republican plank has been all too little known:

REPUBLICAN PLANK ON OLD-AGE PENSIONS

Real security will be possible only when our productive capacity is sufficient to furnish a decent standard of living for all American families and to provide a surplus for future needs and contingencies. For the attainment of that ultimate objective, we look to the energy, self-reliance, and character of our people, and to our system of free enterprise.

Society has an obligation to promote the security of the people, by affording some measure of protection against involuntary unemployment and dependency in old age. The New Deal policies, while purporting to provide social security have, in fact, endangered it.

We propose a system of old-age security, based upon the following principles:

We approve a pay-as-you-go policy, which requires of each generation the support of the aged and the determination of what is just and adequate.

Every American citizen over 65 should receive the supplementary payment necessary to provide a minimum income sufficient to protect him or her from want.

To make this program consistent with sound fiscal policy the Federal revenues for this purpose must be provided from the proceeds of a direct tax widely distributed. All will be benefited and all should contribute.

The only difference between the Republican policy, as thus enunciated, and the Townsend proposal is in the suggestion of needs test, and there has been a growing conviction that such a test is both inequitable and impracticable.

NEEDS TEST

The needs test places a penalty on thrift. If a couple have been prudent and accumulated a modest home and a little money in the bank, they are deliberately penalized under this policy.

On the other hand, the ne'er-do-well is encouraged and rewarded as automatically at the determined age he is placed on a parity with those who have practiced thrift. This is certainly not in accordance with the principles or policies under which America has grown great.

More and more Republicans have come to recognize this inconsistency and have been ready to eliminate the needs test in connection with the administration of the old-age pension plan.

The needs test is, moreover, impracticable, as it introduces the very element which the plan otherwise avoids in making possible discrimination, both between sections and individuals, and in imposing very great difficulties of administration with a tremendous bureaucratic overhead.

Whether or not a certain person is 60 or 65 years of age can be determined with very little difficulty and they then automatically become eligible to participate in the distribution of the benefits from the common fund.

On the other hand if the "needs" test is to be taken into account the top-heavy bureaucracy that is characteristic of government in recent years instantly becomes rampant with all of the possibilities of personal and partisan and sectional influence that it is the chief design of the program to avoid.

THE AMERICAN WAY

Finally, the program presents the American way of life and the possibility of preserving this American way of life for the generations yet unborn. The young people of this country will welcome the opportunity to make a livelihood for themselves with the haunting problem of old age no longer hanging like a sword of Damocles suspended above their heads.

Circulation of money may resume its normal flow unstrangled by the haunting fear that this dollar may be the last that we shall see.

One does not need to subscribe to the picture of paradise that is painted by some of the more enthusiastic advocates of this program in order to recognize its simple justice and equity and its infinite simplicity in comparison with the bureaucracy-run-riot by which the wage earners of this country are now being deliberately deceived.

The present social-security system requires an administrative mechanism that must ultimately topple of its own weight and it is that which will be avoided by the simple administrative features of this plan.

REPUBLICAN FUTURE

The Republican Party was conceived in the liberation of a great section of our population. The Republican Party still possesses the virility and the vitality to go forward in liberating 10,000,000 of our elder citizens from the haunting fears that now afflict the approach of their declining years.

The Republican membership of the House are rapidly coming to recognize the implications of this plan in restoring the country to a balanced Budget, to financial sanity, to adequate relief, and to the American way of life, and, in its adoption, our progress toward this goal may be measurably advanced. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Chairman, from present indications, Senate and House conferees who are wrestling with the wage and hour bill are still far from agreement. Their efforts to reconcile differences between the House and Senate bills are not meeting with success. This is easily understandable, for the differences in the two bills are radical and fundamental.

A new tribunal—a Labor Standards Board—is set up in the Senate bill to administer the act—a five-man Labor Standards Board, with advisory committees for separate industries which would fix industry-wide or sectional standards for separate occupations, based upon committee conclusions.

The House bill gives to Miss Perkins, Secretary of Labor, the authority to determine which industries require higher wage and hour standards. No discretion is vested in a board or the Secretary, and enforcement rests with the Department of Justice.

The Senate bill provides that the Fair Labor Standards Board would fix wages for individual industries, with a minimum wage that cannot be above 40 cents, but can be lower.

The House bill sets a minimum wage of 25 cents an hour for the first year, 30 cents for the second year, 35 cents for the third year, and 40 cents thereafter.

Under the Senate bill the Labor Standards Board would set maximum hours for each industry, which could not be less than 40 per week.

The House bill fixes the maximum hours per week as 44 the first year, 42 the second, and 40 the third.

The Senate bill prohibits the employment of women and minors between the hours of midnight and 6 a. m.

The House bill does not prohibit work by women and minors if child labor is not involved.

Under the House bill, employment under 16 years, or under 18 in hazardous work, is prohibited, and goods manufactured with prohibited labor cannot be shipped interstate.

With regard to child labor, the Senate bill is substantially the same as the House bill in all essential details. Both bills permit employment of youngsters by their parents if the work is not in manufacturing or mining.

The House bill provides that work over the maximum hours fixed by its bill will be permitted if time and a half for the overtime hours is paid.

The Senate bill requires time and a half, but between midnight and 6 o'clock in the morning, where continuous operation is not essential, overtime must be paid, even if maximum hours per week are not worked.

The House bill exempts agricultural labor and those engaged in packing, handling, storing, ginning, pasteurizing, compressing, or canning farm products and in making cheese or butter when such work is done in the area of production. Retail or other business is exempt if substantially intrastate. Outside salesmen and all bona fide executive, administrative, professional, or local retail workers are also exempt. Special certificates, at wages lower than the minimum fixed by the House bill, will be issued for learners, apprentices, and those whose earning capacity is impaired by age or by physical or mental deficiency.

The Senate bill exempts outside salesmen and all executive, administrative, professional, or local retail workers. Also exempt in the Senate bill are those persons employed in the taking of fish, sea foods, or sponges, and all agricultural workers. Included among the latter are those engaged within the area of production in preparing, packing, or storing fresh fruits and vegetables in their raw state. Special certificates would be issued for the employment of learners, apprentices, and those persons impaired by age or physical or mental deficiency at wages less than the standard. Regulations would be issued indicating allowable deductions for board, lodging, and other facilities furnished by the employer.

From the observations I have made thus far, it would seem that the House bill is the more severe of the two measures. It does not provide for differentials in cost of production of commodities produced in industry in various sections of the country; it does not provide the safeguards over arbitrary acts to the same extent as does the Senate bill; it does not provide for efficient administration with responsibility placed upon the officers performing the duties imposed upon them as does the Senate bill; it is true that the minimum wage for the first year is lower than that provided for in the Senate bill, but during the third year the minimum wage is the same. It is true also that the maximum hours per week are 44 for the first year, 42 for the second, and 40 for the third, while the Senate bill sets maximum hours for each industry at 40 hours per week from the start.

Taken as a whole, therefore, it is certain to my mind that the House bill imposes more severe standards upon industry in the South and West than does the Senate bill.

A criticism worthy of the attention of the Congress to the House bill is that the standards of contracts and rules governing to be prescribed by the Secretary of Labor imposes a task to which she could not bring an enlightened personal judgment. Consequently, some person or board with no other business should be assigned to the work and responsibility should be imposed in such person or board actually doing the work or actually administering the act.

Of course, the Secretary of Labor would designate persons to make the investigations, findings of fact, and furnish reports thereon to the Secretary, but in the very nature of things she could not do much in the way of intelligent approval because of her other multitudinous and varied official duties. There is one thing evident from the study of

governmental activities and that is that too much of the shaping of policies and making of rules for the Government of vast enterprises employing a multitude of persons is entrusted too frequently to people with no practical experience.

They have college degrees and knowledge of books, but a wide and vast experience in administration is also needed. Whoever is selected to administer this act, which places the power of life and death over industry in governmental and political hands, should have placed upon his or their shoulders the responsibility for his or their acts and should be subject to approval of the Senate so that better care in the selection of the person or persons and a better grade of common sense may be secured. Furthermore, the acts of the person or the board should be made subject to review by impartial, judicial tribunals.

Considering section 2, which is entitled "Finding and Declaration of Policy," in connection with paragraph (b) of section 3, defining the word "commerce," and subparagraphs (i) and (j) of section 3, defining "industry," and the term "industry affecting commerce," and subparagraph (k) defining "employers engaged in commerce," with sections 4, 5, and 6, it is within the range of probability that a large number of traders, merchants, and storekeepers in local communities may be found by the Secretary to have such close and substantial relations to commerce as to bring them within the purview of the act. Certainly every wholesaler who buys goods that are moved in commerce, as all of them do, and who ship out goods to retailers in interstate commerce, as most of them do, would be confronted with this problem: Has he carried on his business so as to be free of the penalties of section 14, which provides a fine of \$500 or imprisonment for not more than 6 months, or both, because he has done some of the prohibited acts of section 13, which are as follows:

First. To violate any of the provisions of section 4 or section 5, or any of the provisions of any regulation or order of the Secretary issued under section 12.

Second. To transport, offer for transportation, ship, deliver, or sell in commerce or to ship, deliver, or sell with knowledge that shipment or delivery or sale thereof in commerce is intended, any goods in the production of which any employee was employed in violation of section 4 or section 5, or in violation of any regulation or order of the Secretary issued under section 12; except that no provision of this act shall impose any liability upon any common carrier for the transportation in commerce in the regular course of its business of any goods not produced by such common carrier, and no provision of this act shall excuse any common carrier from its obligation to accept any goods for transportation.

Third. To willfully discharge or in any other manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this act, or has testified or is about to testify in any such proceeding.

Fourth. To violate any of the provisions of section 10.

Fifth. To violate any of the provisions of section 9 (c), or to make any statement, report, or record filed or kept pursuant to the provisions of such section or of any regulation or order thereunder, knowing such statement, report, or record to be false in a material respect.

It will be noted that a person can be subjected to the penalties of section 14 if he violates any of the provisions of section 4 or 5. These sections define minimum wages and maximum hours.

If in fact an employer is engaged in commerce so as to be subject to sections 4 and 5, he might be held liable even though the Secretary had not previously found, under the terms of section 6, that the business was one affecting commerce or that the employer was engaged in commerce. In other words, an employer, to whom the Secretary has not made an order under section 6, who does not comply with sections 4 and 5, would be operating at his own risk. It is nowhere said that the penalties may not be applied to an employer until and unless the Secretary has made an order

with reference to the business, if in fact such employer be one who is engaged in commerce within the meaning of the act. There does not seem to be any provision in the act authorizing an employer to apply to the Secretary of Labor for a determination of the question as to whether or not such employer is within the meaning of the act; and it is doubtful if any employer could obtain a declaratory judgment on the question. The determination, in any event, of the question as to whether or not a particular employer is within the purview of the act by the Secretary will be had at much expense and inconvenience to the employers throughout the Nation.

I seriously doubt if a determination in all cases would be possible because of the intricacies of industry and the number of determinations to be made. A sufficient number of courts does not exist to try all such cases—they are so numerous.

The courts have so broadened the meaning of the term "commerce" that many businesses heretofore regarded as purely local may now be found by the Secretary to have such a close and substantial relationship to commerce as to be subject to the terms of the act. Many of them within what has been termed the twilight zone or borderline cannot know until after a hearing precisely what their status is and the nature of the question is such that in order to get a correct ruling and to make a proper record for purposes of review by a court it would be necessary for the employer to go extensively into the facts and circumstances connected with his business. This would involve a large expense to the employer. In instances where the business was operated by persons of limited means they would not even be financially able to produce the evidence.

My attention has been called to an alleged violation of the provisions of the N. R. A. A small mill operator at Shuqulak, Miss., was notified by mail that he would be tried in Atlanta, Ga., for violating the N. R. A. with reference to wages. He could not operate on the wage scale of N. R. A. He had so notified his employees, after having first made an honest effort to comply with such wage scale. He called his employees in and told them that if he had to continue on the N. R. A. wage scale he would be compelled to close his business immediately. That would have put all of them out of work. He left it up to them as to whether or not they would go ahead on a scale of wages that he could get by with. The employees agreed to it. The operator had never taken the "Blue Eagle." The N. R. A. office at Atlanta refused to inform him, on request, as to the nature of the charge against him, or who had made it. Instead, they sent him a circular in which it was stated that neither the prosecutor nor the charge could be disclosed to him in advance of the hearing. He did not have the money to make a trip to Atlanta, nor to employ counsel. He was advised to notify the Atlanta office to that effect and to ignore their action.

He never knew what was the charge against him and never admitted anything in any of the correspondence with them. On the day they designated to him they would try him, they did so in Atlanta, and found him guilty of violating the N. R. A., and notified him that they did so upon the admission of his letters, which letters contained no admission whatever. A few weeks later, the Schechter case was decided by the Supreme Court of the United States, and of course he has never heard anything further about his conviction.

This was an extreme case, of course, but it shows the evil and injustice of committing the determination of the rights of employers all over the Nation to some secretary or administrative appointee unfamiliar with actual business operation. I daresay any court, on a proper review, would declare any order made under such circumstances that I have just related to be absolutely void, but the difficulty is that many a poor litigant would not be financially able to pay the expenses of a court decision.

No doubt the Secretary of Labor would attempt to comply with the act and the notice and hearing would be conducted

so as to conform with the recent decision of the Supreme Court of the United States as to what is a fair hearing before an administrative board. Nevertheless, it still seems to me the act leaves employers who are within the twilight zone in a very precarious situation and puts upon them a heavy expense and great inconvenience in the determination of their status. Personally, I feel that the extension of policy of committing to administrative boards the power to decide questions affecting the business activities of the people is pyramiding the burdens for them to bear and is in many respects a menace to personal liberty, notwithstanding the careful provisions for judicial review.

My observation and experience is that administrative boards and administrative officers frequently act through agents and subordinates who are arbitrary and unfair and that many instances arise where the individual has to submit to injustice because it is cheaper in the long run to suffer it than it is to fight to correct it. It seems to me that a uniform maximum wage for the entire Nation will necessarily be arbitrary, capricious, and discriminatory. An industry affecting commerce in the South, West, Middle West, or East is not on a parity as to the expense of operating businesses with a like industry in other sections of the country.

There is no uniformity in municipal, county, and State taxation in the various States either in the property taxed or the rate of taxation. There is no uniformity in transportation rates to and from the various industries affecting commerce in the various sections of the country. Differences in climate necessitate difference in the character of buildings and in the cost of heating and maintaining them.

There is no uniformity in the types of labor in the various sections of the country. It is well known that certain people excel in certain lines over people of other national characteristics.

If, regardless of such manifest lack of uniformity in those and other respects in the operating conditions in the industry affected by commerce, all must maintain a uniform minimum wage and maximum hours throughout the country, it is certain to me that great injustice will result and great sections of the country will suffer. Some industries will have to go out of business and large numbers of persons will be thrown out of employment. The public at large must bear the burden of the expense of relief for these new unemployed persons. It is clear to me that the smaller industries will be more seriously affected than the larger ones. Big business in the North and East, with its accumulated wealth, will survive, but the small businessmen, especially those in the South and West, and far away from the larger markets, in my opinion, are certain to fail. Monopoly will be more firmly entrenched and protected as the result.

I am certain that the inevitable effect of the enactment of this law will be to discourage private capital from entering upon or expanding private industry. Persons of means would much prefer to lend their money at smaller rates of interest than to engage in the hazardous pursuits of industry with the added burdens and penalties which this measure imposes upon them.

I cannot see that this bill can help the consumer; it necessarily adds another tremendous burden to industry, and I am not speaking about increased wages and shorter hours; I am referring to the necessarily large expense that every businessman must make to comply with the provisions of the act. All of these added expenditures will be passed on to the consumer.

I have always believed in high wages and a job for every worker, but I am doubtful if this bill will mean higher wages. It may mean that a few types of low-paid workers will get larger wages, but at the expense of other workers. In many cases it will mean that workers already employed will lose their jobs because of the bankruptcy of the industry now employing them. I am certain that industry in the South will be deeply affected, because commodities will have to be transported to market, and freight rates are higher in the

South than in the North and East, and that is a handicap that cannot be overcome if industry in the South pays the same wages as does industry in the North; and freight rates are just one of the many obstacles that confront southern industry.

I have my serious doubts about the constitutionality of the House bill. A uniform minimum wage for the entire Nation is certainly arbitrary, capricious, and discriminatory. A minimum wage should certainly relate to the value of the service rendered; and if a bill provides, as this bill does, that uniform minimum wages shall be maintained in the absence of uniformity of cost of operating a business, then such bill is discriminatory. If a measure goes so far as to destroy many industries, as this bill will in sections of the country, this adds to its viciousness and makes its provisions even more repugnant to the safeguards of the Constitution.

Throughout my entire life by vote and act I have labored for the interests of the workingman. I believe that every laborer is entitled to an adequate wage and reasonable hours and should be permitted to labor under conditions that will conserve his health and safety. I do feel, however, that uniformity of wages and hours in all localities in America is impossible of attainment without grave injustice and without resultant harm to laborers and the consuming public.

Labor has made great strides during the last 50 years through organized effort. I do not believe it is sound judgment for their welfare to be entrusted to legislative enactments and to rules and regulations of executive bureaus. It may be all right to do this in times of peace but in the stress of war workers will be drafted into industry and their wages fixed the same as the pay of soldiers. There is much upon which to base this fear, for a bill has actually been floating around the Congress for many years to do identically this, by giving to the President the right to draft man power during war. If Congress has the right to fix minimum wages it also has the right to fix maximum wages. I fear it is not safe to entrust to executive bodies and public officers the power to regulate the business life of the Nation and to fix living standards for working men and women.

Mr. HARLAN. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. HARLAN. Mr. Chairman, with respect to speeches made in Committee, has general permission been granted to Members to revise and extend their remarks?

The CHAIRMAN. There has been general permission granted to revise and extend, but if any additional data is to be included permission to insert it must be obtained in the House.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. Houston].

Mr. HOUSTON. Mr. Chairman, we have heard a great deal of discussion this afternoon pro and con on partisan politics and what not. I am not going to make a partisan speech or a political speech. I am going to make a few remarks on something which I believe concerns every Member of Congress who has oil in his district, but before I start on that, in view of what has been said here this afternoon, I want to tell a story I heard the other day.

When the fuel-oil-tax bill was being considered on the floor, I happened to be the first Member to make a speech against that bill, and, eventually, the bill was defeated. I received a letter from a constituent of mine in which she stated that she had checked my vote on the reorganization bill and she did not like it. She said:

I have written 10 letters to 10 friends of mine and asked them in turn to write 10 letters to 10 friends of theirs opposing you, because I do not believe in dictatorship.

This correspondent further says that she believed that the reorganization bill would create a dictatorship. I wrote and told her it was not surprising that there were differences of opinion, that she had a right to her opinion and I had a right to mine. I further said that I did not recall receiving a letter from her in the same vein when I voted to kill the

so-called tax on fuel oil, and incidentally her husband is an oil man. I told her I thought her situation was something like this story. I said that Congress had been in session for a long time and various Members had not been home and had an opportunity to campaign or to build their fences, but that one of the Members finally did go home and a friend of his said to him that he had better get busy and get over to a neighboring town, for somebody was fighting him and fighting him real hard.

The Congressman went over there and said to someone else that he heard that somebody was fighting him for reelection. The reply was yes, that Bill Jones was doing so, and this Congressman had better see Bill very soon, that Bill was going up and down the street and going into every store. So he went off and tried to find Bill and finally did. He caught up with him and then said to him, "Bill, I understand that you are fighting me for reelection." The reply was that he was. The Congressman then said to him, "After all, Bill, who was it that signed your personal note at the bank and got you out of a jam?" The reply was, "You did." "Who was it that got your daughter a job in the county clerk's office?" The reply was "You did." Then the Congressman said finally, "And who was it who went to the Governor and made a personal appeal and kept your son out of the penitentiary?" Bill Jones finally replied, "You did." Then the Congressman said, "I cannot understand under these circumstances why you are fighting me," and Bill replied, "I will tell you, it is because you have not done anything for me lately." [Laughter.]

In presenting my resolution for increasing the excise taxes on petroleum and its products and for providing an embargo on petroleum imports when an excessive supply threatens this important phase of our national industrial life, I would like to make the following statement setting forth the situation which I believe makes immediate adoption of this resolution important if we are to stimulate national recovery.

The petroleum industry is either the second or the third in importance in this country. The maintenance of its employing power is of vital importance. Upon its purchasing power depends much of the market for goods produced in the industrial sections of the country. The public revenues find a large source of their income in the taxes laid upon this industry and upon its products. It is possibly the most important key industry in the Nation.

Recently the price structure of the petroleum industry has been threatened because of oversupply. As a result, production of our domestic petroleum has been abruptly and seriously curtailed. This was necessary not merely because of the threat to the price structure but also because excessive supply and excessive storage of petroleum means waste. It means waste of this irreplaceable natural resource. The present administration, even more than previous administrations, has followed a policy for the conservation of our petroleum deposits which, while sufficient for proper use, is not sufficient for wasteful uses.

The oversupply of petroleum which brought about the threatening situation of the past week has had the same cause as previous similar situations. The increasing volume of imports upon which there is neither regulation nor protecting tariffs has added unexpected quantities to our supply. During the first 3 months in 1938, the latest figures made available by the United States Tariff Commission show an increase of 27.3 percent in the petroleum imports over the similar imports during the first 3 months of 1937. In this quarter of 1938, we brought into our markets 12,779,994 barrels as compared with 10,037,410 barrels for the corresponding period in 1937. In terms of daily averages, the first quarter of 1938 showed 142,000 barrels of imports per day as compared with 111,527 barrels for the first quarter in 1937.

Because of the excess supply of which these imports were a part, my own State of Kansas was forced to reduce its petroleum production about 17 percent in the month of April and 23 percent in the month of May, from the production in the corresponding months of last year.

So serious did the situation become in Kansas that the Governor of the State called attention to the fact that whole oil fields were being closed down because there was no market left for the oil they produced. In other fields, operators closed down many wells, being unwilling to sell their oil below the cost of its production. This inevitably affected employment in Kansas. The closing of these fields and wells and the reduced production in other fields caused a rapid decrease in the income received by Kansans from the petroleum industry.

Mr. CARLSON. Mr. Chairman, will the gentleman yield at that point?

Mr. HOUSTON. Yes. I yield to the gentleman from Kansas.

Mr. CARLSON. The gentleman from Kansas [Mr. Houston] represents one of the great oil-producing sections in our State and I am very happy that he is calling the attention of the House to the present situation in the oil industry. I would appreciate it very much if the gentleman would inform the House as to the annual production of oil in Kansas and compare it with the amount of our oil imports.

Mr. HOUSTON. I have not the figures here, but in the neighborhood of fifty-odd millions. The potential production in Kansas, which is the third largest in the United States, is 3,250,000 barrels per day. The allowable production is 175,000 barrels per day. That has been cut down to 155,000 to 160,000 barrels per day.

Mr. CARLSON. If the gentleman from Kansas will permit, I would like to make this observation: If Kansas produces 56,000,000 barrels annually, it is interesting to note that the importation of 112,000,000 barrels is exactly twice our annual production. This presents a serious problem to the oil-field employment, oil-field development, and distribution of oil-field products in our State. I believe the Federal Government should take immediate steps to greatly reduce the importation of crude oils.

Mr. HOUSTON. Yes. All this once more illustrates the oft-repeated statement that men wearing clothes cannot compete with men wearing breechcloths. In other words, the American petroleum industry, with its fair labor standards, cannot successfully compete with oil produced by peon labor or by forced labor.

Congress has adopted a number of measures intended to promote the conservation of our petroleum resources and to prevent their waste. The present excise taxes, the Connally "hot oil" bill, and the interstate oil compact are conspicuous illustrations of this. The authorization given the Bureau of Mines for its estimates of demand is another instance of our care to provide for the proper use and avoid the abuse of these petroleum deposits.

That balance of supply with demand, which is one of the purposes sought in these conservation efforts of Congress, is either being actually overthrown or threatened with overthrow by the incalculable quantities of foreign oil imports. In other words, a few great importers can nullify a policy of Government and the intent lying behind several acts of Congress. This ought not to be so.

Because of the condition of oversupply, due so largely to the foreign importations, some petroleum products are forced into inferior uses that come into competition with coal at a time when the bituminous-coal industry has reached a low level of demoralization. Here, once more, a policy of Government and acts of Congress are nullified through the conduct of private corporations.

Mexico has recently expropriated the oil owned by foreign corporations in that country. This means that Mexico will be seeking new markets for that oil. The United States is the nearest market. It also furnishes the largest market. Since it is commonly accepted that there must be a new channel found for Mexican oil, it may be expected that much of it will seek entrance into this country. This will further complicate our problem of using and not wasting our petroleum reserves.

The bill which I am presenting is intended to meet this situation. In the first place, it provides a more nearly proper

excise tax upon imports of crude petroleum and of fuel and gas oil, increasing these from the present one-half cent per gallon to 1½ cents per gallon and eliminating the present exemption granted to imported fuel oil when used for supplies of vessels.

My bill further provides for an embargo to be placed upon all importations of foreign petroleum products whenever the supply in this country is so excessive that purchasers are unable to take the full amount of the production which is legally set by the regulatory bodies of the various oil-producing States. This embargo to be proclaimed by the President may be raised by him when such an emergency situation has ceased to exist. Since the domestic production of petroleum has long been based upon careful studies of demand made by State regulatory bodies which make due allowance for the expected quantity of imports, it seems only fair that when a situation of oversupply is created by excessive importations, such as have marked the first quarter of the present year and have marked many periods in the past history of the petroleum industry, these importations should be discontinued until the situation they have aided to create has been corrected.

In order to prevent the bituminous-coal industry from suffering from unfair competition between petroleum products, which may be driven to inferior uses through the improper competition of excessive imports of the cheaper foreign oils, my bill further provides that when bituminous coal is selling below a proper relationship of price to be established on the basis of equal thermal units, an embargo on petroleum imports shall be effected until the removal of this unfair competition, largely created through these imports which enabled bituminous coal to secure its proper price position in our home markets. This should assist the efforts now being made by the Federal Government to aid the bituminous-coal industry in its program of recovery and to furnish labor for the numerous miners who are now in a serious economic position.

Because the situation which I here outlined should be clear to all who have studied our general fuel problems, I trust that the Congress will give immediate consideration to this proposal for conservation of an important natural resource, for encouragement of employment in two great industries, and for the promotion of important phases of our economic welfare.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. HOUSTON. Yes.

Mr. HARLAN. I notice the gentleman used the phrase that his bill would conserve the natural resources of the country. In what way will the prevention of foreign oil coming into this country to be consumed conserve our own oil?

Mr. HOUSTON. There are several ways. A lot of these wells must be kept producing, or water will get into the well and destroy it. The allowable production in most of the Western States, has been cut down and in Kansas not to exceed 5 percent of the potential production can be produced. If you do not keep some of these wells producing, water will get in and destroy the property.

Mr. GREEVER. And is it not true that the disastrous price received for oil during the past few years is due largely to the fact that importations have come into the country in such great quantities, and is it not the opposite of conservation when you are selling oil for that low price?

Mr. HOUSTON. Absolutely. There is no question about that.

The bill to which I have referred, introduced by me today, is as follows:

A bill to provide revenue and to increase employment of American workers

Be it enacted, etc., That title 4 of the Revenue Act of 1932, as amended, is further amended by striking out paragraph 4 in subsection C of section 601 and inserting in its stead the following:

"Crude petroleum, 1½ cents per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel, 1½ cents per gallon; gasoline or other motor fuel, 2½ cents per gallon; lubricating oil, 4 cents per gallon; paraffin and

other petroleum wax products, 1 cent per pound; asphalt, natural or otherwise, \$2 per ton. The tax on the articles described in this paragraph shall apply only with respect to the importation of such articles."

Sec. 2. That the Revenue Act of 1932, as amended, is hereby further amended by inserting in section 630 at the end of the first sentence the following, striking out the period and substituting a comma, "with the exception of the excise tax on imported petroleum or petroleum products."

Sec. 3. That when the Bureau of Mines shall find that the supply of crude petroleum is so much in excess of the demand that purchasers of crude petroleum do not take the full legal production in any oil-producing State, the Bureau of Mines shall at once report this fact to the President of the United States, and that the President is hereby authorized and directed thereupon to declare and proclaim an embargo on the importation of crude petroleum, fuel oil, and gas oil, this embargo to be effective until such time as the Bureau of Mines may report that the demand for crude petroleum, as evidenced by purchases, is greater than the supply from domestic sources and from storage, whereupon the President of the United States is authorized and directed to declare and proclaim the discontinuance of such embargo.

Sec. 4. That the Bureau of Labor Statistics in the Department of Labor in cooperation with other governmental departments shall calculate the relationship in the competitive markets of the United States between the price of fuel oil and the price of bituminous coal, based on the quantities of each required to furnish an equal number of British thermal units and shall report to the Secretary of Labor whenever it finds that the price of fuel oil on the basis of the relationship thus established has fallen below the established price of such bituminous coal as established by the National Bituminous Coal Commission and that on reception of such report the Secretary of Labor is hereby directed to report to the President of the United States that fact. Whereupon the President is hereby authorized and directed to proclaim an embargo upon all importations of crude petroleum and of fuel oil and gas oil until such time as the Secretary of Labor shall report to him that the price of fuel oil has returned to the above-mentioned relationship, whereupon the President is hereby authorized and directed to proclaim the discontinuance of such embargo.

Sec. 5. This act may be cited as the Fuel Equalization Act.

Sec. 6. This act shall become effective 30 days after its approval.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, in the consideration of this deficiency appropriation bill, where we are appropriating \$272,500,000, to be added on to the expenditures that we have already created for this year, and taking up the statement of the Government of June 4, do you gentlemen realize, can you comprehend, that notwithstanding the fact that the President of the United States for 3 years promised that on July 1 of this year we would have a balanced Budget, yet on this day, June 4, the deficit for this year amounted to \$1,514,185,279.79. An enormous amount to be in arrears of your income. Thirty years ago that was considered more than enough to operate all affairs of the Government. Oh! what a change. Oh! what a difference a few years make. Oh! what a difference when sound men of experience chart the course of government or whether you have men in charge of the Government with no experience in financial affairs. Men who do not know anything about finances except to spend the other fellow's money.

This year's deficit does not include the revolving fund which was set up and which this statement shows amounted to a total of \$780,628,239.60, making a total of over \$2,294,813,519.39 this year in the red so far, and 26 days to go. We are going into the red at the rate of about \$15,000,000 a day. Think of it! Fifteen million dollars a day more money is being spent than is being received by revenues of all kinds. You have created a debt, to this time, of \$37,380,000,000 and more. When he thinks of the enormous amount of money that has been squandered and wasted in the past 5 years it ought to make every Member of Congress shudder. What will your children do about it? On March 31, 1933, we were \$21,000,000,000 in the red. We have averaged over \$4,000,000,000 a year since that time, notwithstanding the fact Mr. Roosevelt criticized the former administration, and he did not know how to spend when compared to Mr. Roosevelt.

How anyone can get any satisfaction from news articles reading "Officials expect lowest Federal deficit since 1931" is beyond me. It seems to me that the newspapers are very solicitous in trying to help this administration out of the bad situation it finds itself in. I cannot see it. If there is any

Member here who finds solace in news articles of this kind, I think we are in bad shape here in the House of Representatives, and the newspapers should picture the bad condition we are in financially if they want to save our Nation from bankruptcy.

We have 13,000,000 men out of work. The President said we would try things and if they did not work he would try something else. He has tried many, many things, but it seems to me they have all gone by the board. Most of them have not worked. Since he has been President how often has he said, "If it does not work, we will change it and try something else"? He has been asked by sound Democrats to change some of the legislation that has been enacted, but he will not. He knows, and you realize, that the Wagner Act and the National Labor Relations Board created under it, as functioning today give labor an undue advantage, which is injurious to labor—I speak of radical labor—permitted the sit-down strikes and closing the industries of the country. You are not going to get people back to work until you change that act. It is not sound nor sensible.

I am in sympathy with labor, but if labor wants legislation of this kind, labor must assume the responsibility that goes with it. If there are differences between manufacturers and labor, the two sides must get together. Capital cannot operate its manufacturing establishments without labor, and if the manufacturing establishments cannot run, labor is without employment. This is the big problem presented for our consideration. The thing I am most deeply interested in is providing men with jobs in industry, giving them jobs where they can make more than they do on the W. P. A. rolls or on the P. W. A. rolls or on relief. The steady, serious-minded man who wants to work does not want a job with the P. W. A.; he wants a job in industry where he can make two or three times what he can on the Government relief pay rolls.

The most serious thing confronting us today is the fact that our industries are working very, very short time. There is a cause for it. The American people have the initiative, the desire, the will to go forward; but as long as there is not an opportunity for them to advance, they are not going to risk everything they have and wreck themselves by involuntary bankruptcy. I know you do not want them to do that. I do not think there is a man in Congress who wants to do that. Would you do something if you thought you were going to fail in the attempt? Let us, therefore, give consideration to changing the National Labor Relations Act and place some responsibility on labor and let them assume their responsibility. I say in all seriousness that I believe if you do that, it will be the first great forward step you can take to get the wheels of industry turning. I think it is our duty before we leave these Halls to try to make this adjustment. Will the majority party do it?

There are many things to be considered, there are many things we ought to do. Another problem that confronts us is the flooding of our markets by the great importations coming into this country, importations of farm commodities grown by farm hands paid peon wages, importations of manufactured products made by labor which does not receive one-fifth the wage paid in this country. If we want to give our own people jobs, then let us keep the American market, the greatest market in all the world, for our working men and bar the importation of these imports until the day arrives when all our people are back at work.

If we would not continue our present policy of trying to make this a land of scarcity, so far as farm commodities are concerned, we could put 3 million men back to work on our farms. Think of the cotton that came into this country last year, 24,000 bales of it, when the cotton farmers of this country and the Government of the United States did not know what to do with the cotton we already have of our own. It seems to me we do not use our heads. That is about the best way to express it. Stop the importation of goods that put our own people out of jobs and do not do as the President and Miss Perkins requested—offer our country as a haven to all foreigners not wanted in their own lands.

We have all we can do to look after our own at present. Let America be at present for Americans.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, what the people of this country want is a chance to work and it seems to me if this Congress can arrange a program of work for all the people, either through private industry or through the Government, it is our duty to do so. The people are not particularly concerned with what we may think of the Democrats or what the Democrats may think of the Republicans. Our job is to get them work.

Before proceeding any further on this subject may I say that I am not in favor of indiscriminate useless work. On the contrary, I am in favor of organized useful work to be furnished by the Government of the United States.

The bill we are now considering is a deficiency appropriation bill. Ordinarily any measure which might tend to decrease the amount of relief would be properly before the Committee. In my section of the United States 15,000 out of 19,000 farmers are on relief. In that area we have a project comprising 13,400 acres that could be irrigated from the longest river in the world, the Missouri-Mississippi River system. This could be done at an expense of \$63 an acre and in 40 years all of the water charges and the upkeep will be paid and the indebtedness retired.

Mr. Chairman, we are not asking for a gift from the Government. We do not ask for any dole. All we are asking is that the Government provide funds to develop this project. This little project, costing some \$600,000, will take care of 80 families. Across the river and within gunshot of this area is an irrigation project known as the Lower Yellowstone.

The crops in that area for the last 15 years have averaged \$18 per acre more under that irrigation system than where they do not have irrigation. Sixty-five percent of the people in the area have paid their taxes and there is less than 1 percent of the charges on the irrigation project overdue. Nobody is on relief. Just across the river from that we have 15,000 out of 19,000 on relief.

I may ask that an amendment be incorporated in this bill. This could not be done a few months ago because the engineers had not made a report and the Bureau of the Budget refused to recommend the project because the report was not in. However, since that time the report has been made available and it is favorable to the project, but because of red tape we are unable to have the Bureau of the Budget recommend that amount of appropriation in this bill.

Mr. Chairman, I ask permission at this time to include as a part of my remarks the report of the Department of the Interior on this subject as well as the report of our consulting engineer.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

The matter referred to follows:

DEPARTMENT OF THE INTERIOR,

April 18, 1938.

The Bureau of Reclamation today released a synopsis of the report of its investigation of the so-called Buford-Trenton project in North Dakota, a proposal for irrigation of lands along the Missouri River by pumping from the river.

The synopsis is as follows:

The project, located in Williams County in northwestern North Dakota, contemplates the irrigation of 13,400 acres of bottom lands along the Missouri River between Buford and Williston by pumping, with a maximum lift of 30 feet. The area is located immediately downstream from the lower Yellowstone project and has similar climatic and soil conditions. The soils are composed largely of river silts and clay loams containing an unusually high amount of organic matter, are of good fertility, and adaptable to irrigation.

Irrigation of the benchlands in this vicinity was attempted in 1905-12 by pumping from the Missouri River with electrical energy generated at a steam plant located at a lignite coal mine near Williston. Inferior soils, together with a succession of years of good rainfall, which made for successful dry farming on those and adjacent lands, together with silt difficulties, high pumping costs,

and the indifference of the settlers to irrigation methods caused abandonment of this enterprise.

A succession of years since 1929 with subnormal precipitation has greatly decreased crop production on dry-farmed lands and caused a marked decline in the agricultural and livestock industry in western North Dakota. Evidences of the decline in this industry are shown by the following statistics for Williams County.

(a) A decrease of 399,000 acres in the area harvested between 1930 and 1935.

(b) Sixty-five percent of all farms were delinquent in tax payments in 1936.

(c) A decrease of 50 percent in the number of horses, cattle, sheep, and hogs between 1930 and 1936.

(d) Fifteen thousand out of a total population of 19,000 in 1937 were supported by direct relief or Federal labor projects.

The agricultural decline caused a renewed interest in irrigation development and led to the demands for investigation of the Buford-Trenton project and its construction, with a view of stabilization of the agricultural and livestock industries in this region.

Average annual returns for irrigated land on the adjoining lower Yellowstone project were \$18.48 per acre greater than on dry farmed lands on the same project for the years 1920-37.

By comparison with the lower Yellowstone project, required farm deliveries are estimated at 1.75 acre-feet per acre irrigated, canal and lateral losses are estimated to average 0.75 acre-feet, resulting in annual pumping requirements of 2.50 acre-feet per acre.

The plan of development contemplates a pumping plant of 245 second-feet capacity, with a maximum lift of 30 feet, 15 miles of main canal having an initial capacity of 250 second-feet, 6 main laterals, together with sublaterals and a drainage system to serve the 13,400 acres included in the project.

There are three possible sources of power to operate the pumping plant.

1. Purchased electrical energy from the Montana-Dakota Utilities Co.

2. Purchased natural gas for use in direct-connected engines and pumps.

3. Use of electrical energy from Fort Peck Dam: Rates for electrical energy from the Montana-Dakota Utilities Co. are \$6 per kilowatt of maximum demand plus 4 mills per kilowatt-hour of energy used. Construction of a 4-mile transmission line is necessary to use this power. Natural gas will be furnished by the same company at the rate of 15 cents per 1,000 cubic feet. Ten miles of 4-inch line, including a crossing of the Missouri River, is necessary to use gas.

Rates for electrical energy from Fort Peck Dam are not known, but published reports indicate that rates lower than those quoted above may be anticipated if and when the power plant is built.

Construction costs, using either electrical energy or natural gas, purchased from the Montana-Dakota Utilities Co., are estimated as follows (including item of 25 percent for contingencies, engineering, and overhead):

Feature	Electric-driven pumps	Gas engine-driven pumps
Investigation and surveys.....	\$15,000	\$15,000.00
Pumping plant and connection with utility company.....	110,600	159,000.00
Main canal.....	276,780	276,780.00
Lateral system.....	201,000	201,000.00
Drainage.....	134,000	134,000.00
Maintenance equipment, and operation and maintenance during construction.....	80,400	80,400.00
Total.....	\$17,780	\$66,180.00
Cost per acre (13,400 acres).....	61	64.60

Annual costs with the two types of prime movers are summarized as follows:

Feature	With electric motor	With natural-gas engine
Repayment of construction ¹	\$20,510.00	\$22,200.00
Energy (or fuel).....	11,280.00	3,300.00
Operation, maintenance, etc.....	18,000.00	24,400.00
Total.....	49,790.00	49,900.00
Cost per acre (13,400 acres).....	3.72	3.72

¹ Assuming a 40-year repayment period for construction.

NORTH DAKOTA STATE PLANNING BOARD,

THE CAPITOL,

Bismarck, N. Dak., January 29, 1938.

HON. WILLIAM LEMKE,

House of Representatives, Washington, D. C.

IN SUPPORT OF BUFORD-TRENTON PROJECT

DEAR MR. LEMKE: On behalf of the people of North Dakota, and particularly those in the western portion of the State, it is requested that funds be made available during the fiscal year 1939 for the construction of two units of the Buford-Trenton

irrigation project. It is the purpose of this paper to set forth economic conditions prevailing in the area of the above project to justify this request.

This project could not be included in the 1939 Budget of the Bureau of Reclamation because detailed surveys had not been completed at the time the Budget was prepared; however, these surveys have recently been completed and Mr. Page, the Commissioner of Reclamation, is now in a position to certify as to its feasibility. I believe he will also agree to the urgent need of this project to improve general economic conditions and rehabilitate some of the drought-stricken farmers in western North Dakota.

The proposed project consists of river-bottom lands on the north side of the Missouri River at the confluence of the Yellowstone River from the south. The lower Yellowstone irrigation project, which has approximately one-third of its area in North Dakota and the remainder in Montana, is one of the successful operating projects in the Northwest. It comprises river-bottom lands on the west side of the Yellowstone River, having the Missouri River as its northern boundary. This proposed project, therefore, provides for an expansion of the lower Yellowstone project rather than the construction of a project in an area where irrigation has not been tried and proven. The people living in the area to be developed need only look across the Missouri River to see highly productive fields and prosperous farms, while their own fields have failed to provide them with a livelihood during many years.

The lower Yellowstone irrigation project was approved for construction in 1904. Water was first supplied for irrigation in 1909. It comprises a total area of 58,313 acres, of which 44,251 were irrigated in 1937; 10,910 acres are still to be developed. This development is progressing as rapidly as the preparation of the land can be accomplished. A thousand acres were added to the irrigable area during the year 1937; the project also provided homes for an additional 25 families during that year.

At the present time a total of 605 families live on this project. The average annual gross value of the crop produced per family in recent years, amounts to approximately \$2,200. In addition to this, however, a considerable income is also derived from livestock raising and feeding activities. In the year 1935, 6,877 cattle, 133,247 sheep, and 2,000 horses were fed during the winter. During the winter of 1936 and 1937, approximately the same number of cattle and horses were wintered, but an additional 35,375 sheep were fed. These figures indicate the importance of irrigation to the livestock industry, which is the foundation of all agriculture in western North Dakota. From these figures it is conservatively estimated that the average annual gross income per family on this project is over \$3,000.

The financial condition of this project is now very satisfactory. A statement prepared by the Commissioner of Reclamation shows that on June 30, 1937, there was a delinquency in payment of construction charges of three-tenths of 1 percent, and operating and maintenance charges were paid in full. Of importance also is the fact that the people on the irrigated land are not on the relief rolls. Of even greater importance is the fact that they are able to pay their taxes. An investigation made some time ago indicates that 81 percent of the taxes were paid up to date in a township having 70 percent of its area under irrigation within this project. This was as of December 30, 1934. At that time only 53 percent of the taxes in the State, as a whole, were paid up. For purposes of contrast, general conditions prevailing in North Dakota will now be described:

According to figures published from time to time, the Federal Government has expended in North Dakota, for the relief of the needy, a total of approximately \$350,000,000; this includes expenditures through all the various relief agencies. This amounts to an average of \$500 for each man, woman, and child in the State. Conditions in the western area have been much more severe than in the eastern portion of the State, therefore, expenditures in the western half were likely in the neighborhood of \$700 to \$800 per person. Of great importance is the fact that very little of this money will be repaid to the Federal Treasury.

The possibility of repayment of funds advanced to farmers in this area seems rather remote from a study of past productiveness. The average per-acre crop value was computed from census figures for the years 1934 to 1936, inclusive, and found to be \$0.75, \$5.10, and \$0.50, respectively. Figures for 1937 are not available but nearly a complete crop failure prevailed. During intermittent years a profit is made from a crop but it is soon dissipated in the following years of failure. Large areas, therefore, have been taken out of production by the Federal Government in the submarginal-land purchase program. This area is to be returned to grazing for livestock. The most profitable agricultural operating unit in western North Dakota is a herd of livestock and an irrigated tract of land to insure an annual feed supply.

The people in North Dakota dislike being dependent on relief grants from the Government. Furthermore, the Government is now, and will continue to find it difficult to balance the Budget. The construction of irrigation projects will provide jobs for the unemployed and make possible the resumption of normal payments of taxes. This will benefit all units of government concerned.

At the time the Reclamation Bureau was established Congress provided that certain funds be made available to it. This included money from the sale of public lands, royalties on oil, etc. According to the figures in the Bureau of Reclamation, North Dakota contributed \$12,371,385.55 to this fund. Expenditures in the State of

North Dakota from this fund are less than \$2,000,000. The people in North Dakota are not envious of the fact that this money has been spent in other States. At the present time, however, they feel that with a feasible and meritorious project now ready for construction, they should merit an allotment of \$600,000 for the fiscal year 1939. This will provide homes for approximately 180 families (based on average-sized farms on Yellowstone project) and will result eventually in a greatly reduced relief load in that area and a return to the Government of the funds expended.

The lands embraced in this project consist of tracts of level river-bottom land requiring a pumping lift of 30 feet. The lands, for the most part, are now privately owned and of proven fertility; all that is required is the application of water to make them highly productive.

According to the survey of the Bureau of Reclamation, one unit comprising 10,600 acres is estimated to cost \$411,250. Another unit comprising 3,600 acres is estimated to cost \$152,500. There is another unit in the area surveyed, but construction on it is to be deferred for the present time; this unit, comprising 4,500 acres, is estimated to cost \$350,500 and requires a pumping lift of 86 feet. It is anticipated that this unit will be undertaken after the land on the lower levels has been developed and has demonstrated the practicability of developing the land where the higher pumping lift is required.

The Buford-Trenton project was considered by the drainage basin committee of the National Resources Committee and the National Rivers and Harbors Congress. Both these organizations placed it in a classification recommending it for construction, if the engineers of the Army and the Bureau of Reclamation found the project feasible. These reports being favorable, this project has therefore the endorsement of these organizations.

In closing, attention is called to the fact that in the year 1889 Maj. Frederick Wesley Powell, then director of the United States Geological Survey, spoke before the Constitutional Convention in Bismarck, and stated as follows: "The eastern portion of the State has sufficient rainfall for agricultural purposes. The western part has insufficient rainfall, and the western portion is practically wholly dependent on irrigation. In the western portion all dependence on rains will ultimately bring disaster to the people." Available crop records prove that Major Powell was nearly 100 percent correct. During the intervening years, there are records of intermittent seed and feed loans, large expenditures by the Red Cross and other charitable agencies, and in recent years the enormous expenditures of the Federal Government. If the Congress will make possible the allocation of a larger portion of the relief expenditures for the development of irrigable tracts, it will materially assist in putting agriculture in western North Dakota on a self-sustaining basis. Weather Bureau records, the observations of Major Powell prior to 1889 and intermittent crop failures, indicate that periodic droughts are characteristic of the climate in this area. To insure a more stable agricultural income in the area during these droughts we solicit your help at this time.

Respectfully submitted.

OSCAR BECKER,
Consulting Engineer,
North Dakota State Planning Board.

Mr. BURDICK. Mr. Chairman, on tomorrow if there is opportunity offered to amend this bill, I may present an amendment. It will be published in the RECORD so that everybody will have all the information and data on this subject.

Mr. Chairman, the gentleman from Ohio this afternoon put his finger on the real spot with reference to the Congress exercising its function for relief. He asked repeatedly what program we have on this side. The question has not been answered up to this time. If I had had occasion to answer him, I could have given him an answer on the subject.

Mr. TABER. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from New York.

Mr. TABER. I have many times proposed a program. The minority members of the Appropriations Committee presented a program when the relief bill was brought up here for consideration and it was a forward-looking program.

Mr. BURDICK. If the Republicans will come out in the open and advocate the Townsend recovery plan and putting the money-changers out of control of the Nation's money and credit, they will win the next election, but they will not have the courage to do that. I mean just exactly what I say, and I can defend either one of those points.

Everyone knows I would like to see the Republicans come back into favor of the American people, but that will never happen unless a positive offensive program is adopted. Mere criticism of the Democrats cannot do it. The people will never turn back; they may desert the Democratic Party for lack of a progressive program but they will never turn to the Republicans or any other party unless the Republi-

cans or other party will adopt a program for the betterment of the people at the bottom of the social structure. To live again the Republican Party must forget its close association with big business for the past 50 years and come out for a program for the protection of the defenseless and the unfortunate.

Mr. CULKIN. Will the gentleman yield?

Mr. BURDICK. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman feels that despite the 5 years of Democratic administration the money-changers are still in the temple?

Mr. BURDICK. Yes. Nobody has changed the situation, because there is a power in this Government stronger than either party, and that is the power of the money fraternity in this country. It defies all parties and always has. Look around and see who is in control of the Government lending agencies. And may I say this, there are more Republicans in there today than there are Democrats. It does not make any difference. They belong to the same fraternity.

Because of the private use of Government money and credit 33 cents out of every dollar spent by every American in America today goes over the counter in payment of interest. It takes over \$16,000,000,000 to pay the interest charges when we should not have to pay 1 cent. What is the difference in the responsibility of this Government with its name on a bond and its name upon a bill? There is none whatever. We sit idly by and pay interest. We issue bonds. The American people pay the interest when we should not have to pay it.

We know better than to do it, but for some reason the invisible hand of the money power keeps us from doing it. Talk about recovery! You cannot recover when it takes \$16,000,000,000 every year to pay interest. That is more than the income of agriculture and labor annually for the last 5 years. The debt of the United States at this moment exceeds the value of all the property in the United States. If we were sold at public auction we would still be in debt. Then talk about Republicans and Democrats being in control. We have not yet touched the fundamentals of this subject.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD on the Townsend recovery plan as a means of putting money in circulation at the bottom of the strata of society.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection. [Applause.]

Mr. BURDICK. Mr. Chairman, on April 2 I made a speech on the Townsend recovery plan and, among other things, said:

In the United States there are approximately 10,500,000 persons over 60 years of age. Not all would agree to accept this income, and it is calculated that approximately 8,000,000 will accept.

The maximum payments under the 2-percent transaction tax would yield the first year about \$18,000,000,000, as the gross transactions for the present would be about \$900,000,000,000. The gross transaction in 1929 approached twelve hundred billion, and the low point in 1932 was \$600,000,000,000.

Tax income, \$18,000,000,000.

Payments per month (at the maximum), \$1,600,000,000.

Twelve payments, \$19,200,000,000.

From the year 1930 to 1934 the national income was, on the average, thirty-four billion below normal. This startling and continuous decline does not tell half the story in loss and ruin. As this decline continued, it wiped thousands, and finally millions, out of their property and life savings. In the farm section alone, which is approximately 25 percent of the Nation's business, farm values shrunk \$48,000,000,000.

If we had adopted the Townsend recovery program and held our Nation's business normal and did not increase the income at all, we could have paid out the money to the aged and still have had a balance. Besides this, the buying power generated by the spending would have increased the income.

There are several monetary bills now before Congress sponsored by some of the leading and best-informed men in Congress on the subject, and it is a curious fact that you may examine any one of them and in it somewhere will be a plan to put money into circulation from the bottom. All recognize that the supreme essence of any recovery plan is buying power. It is the loss of this that has stagnated business. The wants are just as many as they ever were—in fact, the wants for the mere necessities of life, like food, clothing, housing, medical attention, and hygienic conditions, are more acute than ever—and at least 50,000,000

people in the United States are not able to supply themselves with these necessities. Beyond that, and assuming that we were pursuing a normal course, there are wants enough, real valuable wants, that cannot be satisfied, because there is no buying power. The real essence of any recovery program, therefore, is to put in motion the buying power in the hands of people who want these things.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Chairman, the gentleman from Kansas, Mr. Houston, this afternoon referred to the imports of oils into this country. It makes me think of what is facing us in the growth of the State Department. The State Department is now handling all our trade relations. This Department used to be the smallest Department we had, and we were certainly proud that it had not grown as bureaucracy does grow in this Capital City, but in the last few years the State Department has grown, and now the Secretary of War has been given his orders to move out of the old State, War and Navy Building because the State Department plans to take over the whole building. Congress has given up its right to make trade agreements with other nations of the world. We have turned that right over to the Secretary of State; he has an army of officials and that whole building now at his disposal to do what we used to take care of rather simply in this country. So the Secretary of War is going to have a new large building because Mr. Hull has pushed him out as a result of the new activities Congress has given him by giving up its own rights.

I was thrilled yesterday by the appeal the gentleman from Michigan [Mr. MICHENER], made against appropriating \$35,000 for the painting of a picture of the signing of the Constitution, although I believed that to place such a painting in the Capitol might be worth while. I thought it a patriotic thing to do. Yet the gentleman from Michigan rose on this floor and thrilled the Members and the people in the galleries until they forgot themselves and cheered most vociferously when he spoke about saving that money. Then the House defeated the appropriation of \$35,000 to buy a beautiful painting of the signing of the Constitution to be placed in the Capitol.

That was on yesterday, but I am wondering what you are going to do tomorrow when a provision will be considered here to appropriate \$500,000 to build a Jefferson memorial, a pile of stone, in this city. I am wondering if the gentleman from Michigan will display the same enthusiasm in speaking against this \$500,000 tomorrow that he showed against the \$35,000 appropriation yesterday regarding something that could be postponed. I am wondering if those of you who joined the gentleman in defeating that appropriation will show as much interest tomorrow in trying to defeat the unnecessary appropriation of \$500,000 to construct a memorial to Thomas Jefferson in this city.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Fearing there will not be a roll call on that question, and in order to get myself on record on it, I may say I did not get at all excited on yesterday regarding the appropriation for a painting because it involved only \$35,000, but I shall be delighted to vote against the appropriation of \$500,000 which the gentleman is now discussing, and several similar appropriations if they come up for consideration.

Mr. LAMBERTSON. There is no item in this bill for the St. Louis Jefferson memorial. Its friends are going before the Budget and asking for \$22,500,000, and requesting that they be given at least part of this sum next winter for the first time. The Supreme Court of Missouri has held the ballot boxes cannot be opened, because they are legally nonexistent when everybody that has an honest feeling has a reasonable doubt about the election's being valid, so that hope is gone.

However, there is a new angle to the situation now. Mr. Ickes has O. K.'d the Park Service recommendation that no

money be spent to improve the site of the memorial, 37 blocks, until the elevated railroad that leads around the river front and down to the union depot in St. Louis is taken down. This elevated carries the trains coming in from the north. I believe this order is going to cause a jam. There is no other way to get into the St. Louis depot except to come down the river front on that elevated trestle work, yet Mr. Ickes has said now they cannot improve the site until that is down. However, he does not say they cannot go ahead and buy the 37 blocks and spend the \$9,000,000 that has been allocated from the President's relief money, and that is all there is to this proposition. It is just a real-estate deal. If they can get that old real estate sold and get the money for it they do not care whether or not the site is ever improved.

They are going to proceed to buy the site as soon as they can get the President to give them some more money. Congress, as you know, has never authorized a dollar and they cannot improve the site until they take down the elevated railroad that leads into it and they cannot take this down unless they change the depot. What are they going to do? They are going to go ahead and spend the money and nobody is going to stop them.

Another thing I want to emphasize is the fact that in this bill there is an appropriation of \$2,000,000 which is coming up for consideration tomorrow for the Blue Ridge and the Natchez Trace—\$2,000,000 more. We appropriated \$5,000,000 just a month ago in the Interior Department bill for the two roads, one built on the crest of the Blue Ridge Mountains, a scenic road built just for its beauty, 500 miles long.

You would think that the 35 miles we have would be good enough for people to go out and look at the valley from, the crest of the Blue Ridge Mountains, but, no, they are going to build 500 miles of it down through Mr. Woodrum's district and through the district of the chairman of the great Ways and Means Committee, the men who are here advocating economy, and yet in these printed hearings there are just 4 inches on one page with respect to the appropriation of \$2,000,000 carried in this bill. The roads go through the districts of the two gentlemen I have mentioned; one is a great saver of the country and is for economy, and the other has not raised enough money to balance the Budget any one year, and yet they are taking a huge sum more in their own two districts in this deficiency bill which is supposed to be for emergencies.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. JENKINS of Ohio. And 3 or 4 years ago when we first had these bills up, it was brought out clearly that this main highway on the Blue Ridge was going to be 800 feet wide, and the paved part in many places was going to be 200 feet wide.

Mr. LAMBERTSON. They can do anything they want, because this is the first time the Government of the United States has ever built a completely 100 percent Government road. I resent this because it destroys our old Federal-aid system of matching by States. All that the States are furnishing in this case are the mountaintops or the parkway, and we are paying for all the rest—500 miles of skyline, and, too, they bring in these two items together, the Skyline and the Natchez Trace. The Natchez Trace goes from old Natchez on the Mississippi up to Nashville, and this goes from the Skyline Drive down into the Great Smokies of North Carolina. The roads do not touch. They are not the same road in any way and were not intended to be the same road, but they are in the same bill and in the same item. Is it not strange how they are hooked up in the same item? You will remember that a year ago there were other things mixed up with them, the Big Thompson, the Central Valley, and a few other things, and next year, possibly, the St. Louis Jefferson Memorial will be hooked up with the Natchez Trace and the Blue Ridge Drive and the Big Thompson. This is how we pass things here, but now we have \$2,000,000 in here and we just finished appropriat-

ing \$5,000,000 for these two things in the Interior bill about a month ago, and there can be no emergency.

Another thing I want to call your attention to is the fact that in this bill 20 percent of it is for deficiencies and 80 percent is for everything else, and how did they get the 80 percent?

Mr. THOMAS of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. THOMAS of New Jersey. Is there not also a new item in this bill calling for an appropriation of \$537,000 to purchase the Girdler helium property?

Mr. LAMBERTSON. Yes.

Mr. THOMAS of New Jersey. I would like to say to the gentleman, that is the result of a bill we passed here last year, which at the present time is really nonoperative. We passed a bill to export helium gas; and, in view of the fact we are not going to export any helium gas, I do not see why we go ahead and purchase these Girdler properties at a cost of \$537,000.

Mr. LAMBERTSON. I think the answer is they were in the business first and they developed it, and it is not fair competition for the Government to be in the same business, and therefore the Government is buying them out.

Mr. THOMAS of New Jersey. It was told to us at a meeting of the Military Affairs Committee that, if we were going to export helium, then we would have to purchase these Girdler properties; but if we are not going to export any helium, I do not see why we go ahead and purchase them.

Mr. LAMBERTSON. The gentleman may be right about that. I am not a member of the deficiency subcommittee, and I did not hear the arguments.

There is another thing I do not like and something which I believe is a bad practice which has grown up here and has a lot to do with our business methods and our expenditures, and that is the practice of having supplemental Budget estimates.

There was a supplemental Budget estimate of \$3,000,000 on this Skyline proposition, just as our Interior bill was in conference between the House and Senate. Anyone, if they have the power, can go down to the Budget and put the heat on, or go to the President first, and have him tell the Budget, what to do, and they get what they want and bring it up here and because the Budget makes the estimate we have the idea that all we have to do is not to increase the Budget, but to let the Budget run the country. It used to be an unusual thing to have a supplementary estimate sent up here after Congress opens. Only rarely were there any supplemental Budget estimates but now, every week, almost every day, we get a new estimate from the Budget for something that somebody had not thought about in the hearings last fall.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. Yes.

Mr. FLETCHER. The gentleman said something about the Budget running the country. Does not the gentleman think that it would be a good idea if we paid more attention to the Budget?

Mr. LAMBERTSON. The Budget has kept increasing things. I think it is too bad, when the hearings are held by the department, that the department does not know what it needs for a year and have the matter settled, but somebody can come after the bill is passed and get a supplemental estimate for an additional thing, and the next week come and get another supplemental estimate for another thing. How do you gentlemen suppose that this \$3,000,000 for the Natchez Trace and the Skyline Drive ever got here as a supplemental estimate?

It was because two powerful men like Mr. DOUGHTON and Mr. WOODRUM put it over. Little guys like myself could not do it. They get it for their districts. It is quite artistic. It all helps to employ labor, it is true, but it is not a useful thing. It is just a scenic road, 500 miles long, built 100 percent by the Government for the first time in the history of

our country, and yet it is brought into this bill under the guise of an emergency. Deficiencies are supposed to be emergencies, something that has been left out or not reasonably foreseen. We just got through with the Interior appropriation bill a month ago, and gave them \$5,000,000, but they come back here and ask for \$2,000,000, and all that the hearings show about the matter is just 4 inches of space on one of the pages. There is no justification, no argument. I know from the subcommittee that they did not talk about it, but one of them told me that Mr. WOODRUM said that he had to have that \$2,000,000. Yet he is a man who gets up here and talks about economy day after day and week after week. He had to have it for his district and also for Mr. DOUGHTON—two great leaders, \$2,000,000 tomorrow in this deficiency bill for an emergency, after we gave them five a month ago.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. JOHNSON].

JEFFERSON MEMORIAL NOT AN EMERGENCY

Mr. JOHNSON of Oklahoma. Mr. Chairman, during the general debate this afternoon Members of the Committee have heard a number of distinguished speakers, several of whom have spoken out of order. Some of the speakers have touched on important subjects of vital interest not only to the Congress but to the country. A few minutes ago the distinguished gentleman from Kansas [Mr. HOUSTON] called attention to Members of this body to a bill he has introduced dealing with the importation of cheap foreign crude oil in competition with the independent oil operators of the United States. The gentleman from Kansas has called attention to a very serious situation in the American oil industry. I am hopeful that the bill he introduced will be given earnest and careful consideration by this Congress before it adjourns.

Mr. HOUSTON. Mr. Chairman, I thank the gentleman for his observation. Does not the gentleman agree with me that we should curtail the imports of oil, especially when we are producing more than we can dispose of, when we have no market for what we produce here at home?

Mr. JOHNSON of Oklahoma. I will say to the gentleman from Kansas that I not only agree with the gentleman, but that the Oklahoma delegation in Congress has been fighting for legislation to curtail foreign crude for several years. If I had my way the tax on the importation of foreign crude would be considerably higher than the amount proposed in the gentleman's bill.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes.

Mr. DONDERO. I suggest to the gentleman from Kansas [Mr. HOUSTON] to also include agricultural imports as well as oil, and keep them out of this country away from competition with our own farmers.

Mr. HOUSTON. I appreciate the force of the gentleman's suggestion, but such an amendment would not be germane to my bill.

Mr. DONDERO. But it should come in at some proper place, for we are now ruining the American farmer.

Mr. JOHNSON of Oklahoma. I thank both of the gentlemen for their splendid contributions. Although I am vitally interested in the matters just mentioned, it is not my purpose to discuss either oil or agricultural imports at this time. Another gentleman from Kansas [Mr. LAMBERTSON], who is also another member of the Committee on Appropriations, has just discussed some of the matters pertaining to the pending bill. I shall not at this time discuss the provisions of the bill in general, but shall confine my remarks to one item in the bill. I refer to a little innocent-looking item proposing to appropriate \$500,000 to start the so-called Thomas Jefferson Memorial. Being in this deficiency bill it is supposed to be an emergency. You will recall that the Committee on Appropriations last year considered the proposal and decided it was not then an emergency. At that time, if I remember correctly, the Thomas Jefferson Memorial Commission was very positive it knew

exactly where the memorial was to be placed and what the design would be. But the Congress turned thumbs down on the proposal then. At that time it was proposed to cut down the beautiful cherry trees along the Tidal Basin and those of us who dared object to such a foolish proposal were denounced in no uncertain terms by some of those sponsoring it. Two or three times this proposal has come back and each time it has been turned down. But now the proposed memorial has suddenly become an emergency. Of course, no one pretends to say that it would put many men to work. No one could in good conscience say that the Jefferson Memorial could possibly be justified now from the standpoint of putting a large number of men to work.

I desire to make it plain that I have no criticism to make of the Thomas Jefferson Memorial Commission. On the other hand I wish to make it plain today, as I have done in the past, that I entertain a very high regard for the chairman and other members of that Commission. That Commission has worked faithfully and well, and I desire to especially commend the distinguished chairman for the good work he has done. But this is not a question of personalities. It is a question, as I see it, first, of whether or not it is an emergency, and I submit to the Committee that the Thomas Jefferson Memorial by no stretch of anyone's imagination can be called an emergency at this time. The committee proposes to start this so-called "emergency memorial" by spending \$500,000, which must be borrowed and for which bonds must be voted, when there are 10,000,000 to 12,000,000 men out of work; when millions of people are wondering if they are destined to go hungry next winter and with many babies hungry now and with thousands upon thousands of undernourished children in America, how in the name of all that is good and holy can we call this proposal to erect a shrine to the great Jefferson an emergency?

But, Mr. Chairman, that is not the only reason why I shall oppose this item of \$500,000, which I now solemnly warn will likely grow far beyond the proposed \$3,000,000 before it is finally finished. Nobody seems to know exactly what the total cost will eventually be. But the record of most memorials bear out the statement that the first estimate seldom, if ever, comes close to the final cost.

Nor is that all the objections to the proposal to include \$500,000 of cold cash that is not in the Treasury to start this proposed memorial. This memorial has not, as I understand it, been approved by the Fine Arts Commission. The present Chairman of this Commission appeared before the committee, as shown by the hearings on the bill, and was unalterably opposed to the appropriation for the memorial at this time. Inasmuch as members of the Jefferson Memorial Commission have evidently changed their minds several times as to location, cost, and design within the past several months, it occurs to me that no harm could come of letting the matter rest until the Fine Arts Commission gives its approval to the design and location. So far we have had no reason given why the present Chairman of the Fine Arts Commission should be absolutely ignored by this committee and this Congress.

It seems to me that in all fairness to everyone concerned, which, incidentally, includes the taxpayers, we can well afford to eliminate the \$500,000 to start the Thomas Jefferson Memorial and thus show the country that we are not going to spend money that we do not have at this time for a memorial under the guise of an emergency, while millions of people, through no fault of their own, face want and dire need, if not actual starvation.

But, Mr. Chairman, there are many practical, fitting, and humane ways in which we might commemorate the memory of Thomas Jefferson, whose name we honor and revere. The memory of Jefferson, of course, will not be increased or diminished, irrespective of what this or any future Congress may do. It is needless for me to add that I have a profound respect for the memory of Jefferson, but his memory will live on and on, undimmed and undiminished re-

gardless of whether this Congress or any future Congress appropriates \$500,000 or any other sum to erect a cold, marble memorial to his memory. [Applause.] Aside from being a great scholar, statesman, and author of the Declaration of Independence, Jefferson was human. He believed with all his heart that "all men are born free and equal with certain inalienable rights." I am thinking of so many really worth-while things that could be done by this Congress, if it wanted to do something in keeping with the ideals and teachings of the great Jefferson.

For example: There was brought unmistakable evidence before the Committee on Appropriations this morning that there are almost unspeakable and tragic conditions right here within the shadow of the Nation's Capitol. It occurs to me that it would be in keeping with Jefferson's ideal of human rights for this Congress to immediately relieve a terrible situation here in the District at this time. The committee brought out the fact that there is an institution here in the District of Columbia which I think is called a receiving home for homeless children where the situation is deplorable, where sanitary conditions are terrible, where children suffering with social diseases and those who are free from disease are placed in the same barracks and I am told use the same toilets. With such conditions existing in the District of Columbia and similar conditions in many parts of this country, I submit that for this committee to bring here an "emergency" appropriation of \$500,000 to erect a marble shaft to the memory of Jefferson is not my idea of commemorating his sacred memory.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. BACON. Does not the gentleman think that Thomas Jefferson would have been horrified if he thought the Government would borrow money to put up a memorial to him?

Mr. JOHNSON of Oklahoma. I will say to the gentleman that "horrified" is a very mild word under the present circumstances. I am inclined to feel that Thomas Jefferson would turn over in his grave if he thought Congress would do such a thing at this time when so many urgent necessities and tragic cases of human suffering face the Nation. For \$3,000,000 this Congress could construct a great memorial hospital. There are many, many sick, crippled, and undernourished children in the United States who need immediate attention, and all agree that additional hospitals ought to be built. There are many other worth-while things that ought to be done that would be in keeping with the life of Jefferson. We need more and better libraries. It was the private library of Thomas Jefferson that marked the beginning of the present Congressional Library, the greatest in all the world. To build a library in his memory would be more in keeping with the life and teachings of that great American than this sudden move on the part of the deficiency committee to build a cold marble memorial and call it an emergency. [Applause.]

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield.

Mr. FLETCHER. The gentleman does not have any conviction that this Congress will approve this item, does he?

Mr. JOHNSON of Oklahoma. Answering the distinguished gentleman from Ohio, I will say that I am very apprehensive that unless Members speak up now and bring this thing out into the open that such a program is in the making. As one member of the full Committee on Appropriations this morning, I briefly discussed the situation, and gave notice I would move to strike this item in the bill. In fact I attempted to do so in the committee. We were voted down in the Appropriations Committee.

Several Members appeared before the deficiency committee and were turned down cold on many desirable projects. They were told over and over that while their matters were desirable and in some instances more or less urgent, that they were not real emergencies and therefore could not be considered by this deficiency committee. I personally know

of several such instances. Yet, this Jefferson Memorial, that, like the cat with nine lives, is back here time and time again, comes to us now under the guise of an emergency.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield gladly to the distinguished gentleman from Oklahoma, one of the ablest Members of the House.

Mr. MASSINGALE. The gentleman has spoken about the lack of an emergency in the matter of the Thomas Jefferson Memorial. I agree with him.

Mr. JOHNSON of Oklahoma. Yes; I insist that it is not an emergency and am glad that my colleague from Oklahoma agrees with me.

Mr. MASSINGALE. It is no less an emergency, however, than the building of these scenic highways with what they call borrowed money that is provided for in this bill. Am I not correct?

Mr. JOHNSON of Oklahoma. I agree that the scenic highway is certainly no emergency. But I will say that inasmuch as that road has heretofore been started and it will actually put several thousand additional men to work it is certainly less objectionable from every standpoint than the starting of the so-called Jefferson Memorial.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 2 additional minutes to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Inasmuch as my colleague from Oklahoma has mentioned the scenic highway, I might say that a most suitable memorial to the memory of Thomas Jefferson would be for the Congress to purchase Monticello and build a highway from Washington to that unusually beautiful spot, the old home of Thomas Jefferson. It is without doubt, one of the most beautiful spots in all America. It is now mortgaged, I believe, for some \$70,000 and is owned by private individuals. It ought to be owned by the Government. If this Congress should purchase that historic home and build a highway from this Capital City to Monticello it would be a most fitting memorial and a shrine that would inspire unborn generations.

Mr. Chairman, I give notice now that I shall move, at the proper time, to strike the item—even though it be called an "emergency"—to start the so-called Jefferson Memorial. [Applause.]

Mr. MASSINGALE. What I meant to stress when I asked the gentleman the question I did was this: Does he not think it is better taste to desist in any kind of unnecessary expenditures in times such as we are going through now?

Mr. JOHNSON of Oklahoma. I agree with the gentleman and I may say to him that as a member of the Subcommittee on Appropriations having to do with the Interior Department I fought a number of these things that I thought were not of an emergency nature, feeling that sometime, somewhere, someone has got to throw on the brakes and stop this spending spree. [Applause.]

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I want to refer to the opening remarks of the gentleman from Kansas who described the State Department as one of the greatest expanding departments of the Government. It so happens I know something about it, as I am a member of the State Department subcommittee. I discovered that the total employees of the State Department is less today than in 1930 and 1931. Without going into the question of the reciprocal-trade treaties, may I point out that last year the total number of people employed on reciprocal-trade treaties was 46, the year before that 40, and the year before that 31. I do not think this indicates a large expanse in the State Department. As a matter of fact, the State Department today is costing but a little more than it has cost for the last 10 years. There has been really no increase in that Department proper.

The only increase has come from what we might call non-recurring items, which are public works. On the State De-

partment has been imposed the public works having to do with the Rio Grande Valley, simply because we have had to cooperate with Mexico. The increase in the State Department appropriations during the past 4 years has come from the public works that have to do with the Rio Grande Valley.

As a matter of fact, the State Department is one of the hardest working Departments in the entire Government. I discovered that the average overtime per employee is 101 hours and 20 minutes per year, or an average of 14½ days per year per employee. The total overtime for the entire State Department in the last fiscal year 1937-38 was 75,000 hours. I think it is unfair to let the impression go out that the State Department is one of the departments of the Government that is expanding more rapidly than any other department. The total employees of that Department in the city of Washington averaged a little over 800 in the last fiscal year and this fiscal year.

Mr. SCOTT. Will the gentleman yield?

Mr. BACON. I yield to the gentleman from California.

Mr. SCOTT. With world conditions as they are, and the duties imposed upon the State Department, it is a pretty good place to spend money, is it not?

Mr. BACON. The gentleman is correct. As a matter of fact, I think the Congress has been very neglectful of the State Department. They ought to have been able to expand much further than they have. As a member of the subcommittee, however, may I say it is not entirely our fault. We have almost invariably allowed them what the Director of the Bureau of the Budget has allowed them. I believe the Director should be more liberal with that Department in the next fiscal year. World conditions are getting more complicated and involved month by month. The State Department is and always will be our first line of defense in that their duty is to prevent war. We should not starve them with inadequate appropriations.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, some 3 years ago I had the now rather doubtful honor, according to subsequent appraisals, to be named a member of the Jefferson Memorial Commission. Those of you who were in the House at that time recall that forthwith there started a storm of protest against the form which this memorial might take. From every source, pseudo architectural and otherwise, a wealth of suggestion and vigor of criticism came, which has kept the Commission itself more or less under continuous and unjustified fire.

I do not know whether the distinguished gentleman from Oklahoma, who just spoke, is still present, and I hope he is, but his statements on the floor here just now were typical of the misinformation, the false and erroneous statements that have been given forth concerning this project. He speaks of this memorial as a shaft. Of course it is not a shaft. It is a monument. He stated that no one knows where the location is going to be. The location was fully described before his committee in his absence. There never has been any question about the location from the beginning.

May I say in this connection that the location of the monument is the last major monumental site under the original L'Enfant plan, which strange to say was not in its original concept L'Enfant's plan. It was the Jefferson plan, with the Capitol in the center and the streets approaching from an angle. An expert on the subject of Jefferson, and Jefferson architecture, brought into our committee a sketch by Jefferson made before L'Enfant came to America, showing the plan of Washington which was subsequently accredited to L'Enfant.

I say the remarks of the able gentleman from Oklahoma were full of misinformation, they were full of vague suggestions, and mostly center around whether or not a monument should be built. I feel that he has done complete

injustice to a committee which at least is faithful to the trust reposed in it.

I have been fairly diligent in my attendance upon the meetings of that Commission for over 3 years, and, perhaps by reason of the fury of the storm that has blown over and around this proposition, I have remained quiet. However, the issue that is going to come before this House tomorrow is whether or not this Congress is going to do honor to the memory of perhaps the greatest expounder of the philosophy of democracy that ever came into the world. The distinguished Speaker of this House came on the floor when the authorization for this memorial was originally before the House and said that man does not live by bread alone. Speaking as a Republican, a member of this Commission, a student at least in a minor degree of the great achievements of Thomas Jefferson, I say that a proper memorial—and I believe this proposed memorial is a proper memorial, weighed by all the canons of art and by all the canons of decent, honest criticism—should be built so the youth of the country in these extremely troublesome days may by viewing this monument be led to study the history of Jefferson, what he stood for, and what he said in regard to democracy and popular government.

I say it unqualifiedly that instead of scattering marble dog pounds throughout the country and instead of pouring money down political rat holes—and I say this as a matter of challenge to those on this side of the aisle—you cannot do better service to the cause of democracy than to rear this exquisite, beautiful memorial to the memory of this great man to encourage the youth of the country to learn what this country stands for and what popular government really means.

This Commission has gone into the question carefully and advisedly. The gentleman from Oklahoma a moment ago spoke about the Commission of Fine Arts. We dealt with the Commission of Fine Arts over a period of months. We had Dr. Moore in the same automobile for several days. We went all over all sites. Dr. Moore, representing the Commission of Fine Arts and speaking for them with more authority than the present chairman can possibly speak, made the controlling suggestions as to the architect, as to the site, and as to a host of other questions that came into this picture.

This whole proposition has been shrouded in fog, and I wish I might have time to go into the details of the manner in which you and the public have been deceived. One of the things I wish to correct right here and now is the fact that the chairman of the Thomas Jefferson Memorial Commission, the distinguished gentleman from New York [Mr. BOYLAN], than whom there is no more sincere and lovable man in the House of Representatives, wholesomely and genuinely devoted to the memory of Jefferson, has not intruded his personality into this situation to any undue degree but has in fact followed the leadership of the men who were supposed to know.

Not long since one of the Washington newspapers made an unjust, an unfair, and a foul attack upon our distinguished chairman, the gentleman from New York [Mr. BOYLAN]. At that time Mr. Tumulty, a member of the Commission, and formerly secretary to the late President Wilson, wrote this paper a letter describing what Mr. BOYLAN is and what he stands for. I am including this letter in the RECORD:

APRIL 6, 1938.

MY DEAR MR. EDITOR: I have just read the editorial of this morning appearing in your paper entitled "Tammany in the District." I would consider myself unworthy of association with the fine men of the Jefferson Memorial Commission should I allow to pass unchallenged the statement appearing in that editorial that the chairman of our Commission, JOHN J. BOYLAN, "had forced a mausoleum on Washington," and was now proceeding "to order a statue to be placed in this tomb by a sculptor who had been selected behind closed doors."

May I say to you in the greatest frankness that the selection of a sculptor has never been even indirectly discussed by the members of our Commission.

As to the statement that Mr. BOYLAN forced a mausoleum on Washington, may I say that at least this unfair characterization

gives me an opportunity not only to deny these statements, but to pay, in modest fashion, tribute to the character of JOHN BOYLAN.

My experience in public life having brought me in contact with many men, I can say to you that JOHN BOYLAN is one of those lonely sentinels, who, hating the cheap posturings that sometime claim prominence in headlines, gains his fine objectives by openness and honorable action. His generous, fine nature would make it impossible for him to use force to accomplish his human objective.

I do not say this as one who has seen him from afar. I make this statement based upon my association with him; as one who has had the high privilege of sitting by his side as a member of the Jefferson Memorial Commission, where quietly, humbly, and unostentatiously he expresses his views regarding every phase of our Commission's activities.

Nothing small nor petty could find a nesting place in the quiet thoughts of this admirable man for a single moment.

Of course, having rendered our best judgment in the matter of the Jefferson Memorial, it is meet and proper that our activities should be the subject of scrutiny and criticism, fair and unfair.

After a full consideration of many plans, we are now ready to submit our judgment to the examination of the Senate and House. Like all human judgments, it is subject to error and mistake. I am confident, however, that under the leadership of our beloved chairman, it will be shown that the members of our Commission have not been coerced and that not a single decision has been arrived at through the secrecy of star-chamber methods.

I do not ask that the lash of criticism be lifted from my own back or from the backs of the members of the Commission. In this controversy I only ask that fairness and a considerate judgment shall be given to our chairman, whose patriotic motives only the smallest minds could question.

The drab picture drawn in your editorial of my friend, JOHN BOYLAN, is so at variance with the generosity of his nature, the kindness of his disposition, and the humanness of his judgment, that I owe it to him to speak this kind word.

My hope is that should any controversy arise out of this matter, we will address ourselves to the merits of the discussion without anger or bitterness. These twin devils are destroyers. Their only antidote is magnanimity and tolerance. As the great inquisitor said in his address to the jury in the famous case of Joan of Arc, "Anger is a bad counselor; cast out anger. Pity is sometimes a worse; cast out pity. But do not cast out mercy. Remember only that justice comes first."

Sincerely yours,

JOSEPH P. TUMULTY.

To the EDITOR, THE WASHINGTON HERALD,
Washington, D. C.

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. CULKIN. What differences exist as to the location and type of monument? There is no question about the site. The site, according to the Commission of Fine Arts, according to the City Park and Planning Commission, and according to every writer on the subject of a more beautiful Washington, is the last major monumental site in Washington, and that monumental site, by common consent, belongs to that great humanitarian and philosopher on human rights—Jefferson. On this point everyone is unanimous.

On the question of the type of memorial, the City Park and Planning Commission informally approves this memorial. Your Commission created by you and seeking no limelight in this situation, but only to bring back this problem for you to decide; your Commission, composed of Members of the Senate and House, and distinguished men who have lived Jefferson through their lives, and men who were of Jefferson's blood, his descendants, are unanimous for this memorial.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Indiana.

Mr. LUDLOW. The Thomas Jefferson Memorial Commission, as I understand, is composed of 12 members, on which both political parties are represented?

Mr. CULKIN. Yes.

Mr. LUDLOW. Is it not true that that Commission has agreed unanimously on both this location and the type of memorial?

Mr. CULKIN. The gentleman is absolutely correct. There is no division on either question.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Kansas.

Mr. HOUSTON. Is it not a fact that the Commission already has a right to go ahead and execute contracts if it sees fit, but it has decided to bring the matter back to the House?

Mr. CULKIN. That is true.

Mr. HOUSTON. Is it not a fact that the previous chairman of the Commission of Fine Arts was in favor of the memorial?

Mr. CULKIN. He sat opposite me in an automobile for all one long day; we followed his suggestions implicitly. May I say that Dr. Moore is more entitled than any other man living to credit for what has been done to dignify and beautify Washington, yet now he has been shunted aside by a healthy young landscape gardener who has succeeded him in the post of chairman.

May I say further, in all seriousness, there has been a quality of limelight that has captured the imagination of some people in the situation. The very chairman of the Library Committee that created the Thomas Jefferson Memorial Commission has attempted to legislate it out of existence. This is simply legislative treachery, as I call it, and indecent to the last degree.

Mr. HOUSTON. And is it not a fact that the members of the Fine Arts Commission, outside of the chairman, are in favor of this?

Mr. CULKIN. I could not say as to that, but may I say that the chairman of the Fine Arts Commission, to my mind, is more or less of a go-getter Babbitt type? He has been captured by the quality of the limelight that surrounds this thing, and he thinks he can get some professional advertising, if you please, by jumping into this situation. The present chairman sat in the hearings with Dr. Moore on two or three occasions, and he never raised his voice in protest or suggestion about what was done there.

Mr. Chairman, the issue here is simply this, tearing away all the fog and all the claptrap and stupid suggestions that have been thrown around this project, the question is whether the man who wrote the Declaration of Independence, the man who added the great territory west of the Mississippi to our domain, the man whose philosophy as to the rights of the common man is the true compass in our present course and in the present condition of America—the question is whether that man rates a monument and whether the creation of this memorial will enkindle in the hearts of the American youth patriotism and an understanding of what our country stands for.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. CULKIN. Man, as was stated, and I repeat the phrase of the distinguished speaker made here on the floor, cannot live by bread alone, and this proposed memorial is one of the outstanding illustrations of that principle. This monument is worthy of Jefferson and is of great architectural charm. I wish I had time to describe it more adequately. It is a monument that will cost \$3,000,000, and only \$3,000,000. The suggestion of the Fine Arts Commission with respect to their monument involves a disbursement of \$14,000,000 and most of it, strange to say, when you consider the professional status of the Chairman of the Fine Arts Commission, he being a landscape gardener, is to be disbursed for landscape gardening. Mr. Chairman, the issue is with this House. Yours is the function to decide it. Historically, in America, storms have invariably broken upon the establishment of major memorials. This was true in regard to the Washington Memorial, it was true as to the Lincoln Memorial. Out of this turmoil and noise this Commission brings to the Members of this House its completed and its honest judgment on this question. The Commission believes, as you did when you created it, that Jefferson should have a memorial that would have an esthetic and patriotic value to the youth of America. We have completed our preliminary work and now turn the problem back to you for decision.

[Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I wonder what would happen to the memory of Thomas Jefferson if we did not build this memorial this year. I wonder what effect it would have on

the estimate of the people of the country if we did not build this memorial to Jefferson now. When the bill was before the House last session I offered an amendment to strike the \$500,000 out of the appropriation bill. The amendment carried and the work stopped for a year. It is brought back now in the same form with \$500,000 to start again. When the item comes before the Committee I intend to offer again an amendment to strike out the \$500,000. This is not because I do not want to memorialize Jefferson. It is not because I think Jefferson is not entitled to a memorial of some kind. When the bill was before the House the other time I made certain objections to proceeding along the lines that had been adopted by the Commission. One of them was on the location. At that time it was said that a certain amount of the scenic beauty that had already been established down there would be destroyed. They were going to cut down or were going to remove some of the Japanese cherry trees.

The Commission has made some change there that met this particular objection. I think that the admission of the fact that the objection was good would lend some credence to the belief that some of the other objections that have been made to the Thomas Jefferson memorial are equally good.

I have no desire to maintain Japanese cherry trees. I do not care what kind of cherry trees they are, they are scenically beautiful and should not have been destroyed. The Commission met this objection. They are not a memorial to Japan. Nobody in this country would like to memorialize Japan, at this time at least.

I made a further objection as to the design for this memorial, a design that was created by one man and the contract was given to him.

We made the suggestion at the time that it might have been better if a design had been selected as a result of competition between different people with different ideas of what the design should look like. I still believe that. I still believe that the subject of the design should be the subject of open competition, and for that reason I intend to offer this amendment to strike out the \$500,000.

I objected to the type of the memorial. I do not believe that the kind of a man that Jefferson was will be appropriately memorialized by a tomb, by a pile of stone, or whatever it is to be made of. I do not believe that a cold memorial of that type typifies Thomas Jefferson. I approve highly of the efforts of the chairman of this Commission to memorialize Thomas Jefferson, but I do not believe that he should do it in this manner or that the Commission should recommend this type of memorial. I thought all along it would be better if the memorial were of the utilitarian nature.

I made several suggestions, and others have made suggestions as to what would be appropriate. Some people have suggested an auditorium for the District of Columbia dedicated to free speech. I made the suggestion that the amount of money contemplated in the original expenditure, \$3,000,000, might very well be used to endow a school of government at the university Thomas Jefferson started, the University of Virginia.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Yes.

Mr. SMITH of Virginia. I represent the district in which the University of Virginia is situated, and no one can be more interested in that than I, but has the gentleman read the resolution under which this Commission acted? Is the gentleman aware that the authorization by Congress and the direction to that Commission was that the monument be erected in the District of Columbia?

Mr. SCOTT. Certainly. For that reason I opposed going ahead under the present authority; and I have introduced a resolution to stop the thing where it is and start all over again. That has nothing to do with what I consider or what others might consider a proper type of memorial to Thomas Jefferson. Just because the Commission has been set up does not mean that we would have to go ahead with it necessarily along that line.

Mr. SMITH of Virginia. Is it the gentleman's idea that Congress should reverse its previous action?

Mr. SCOTT. There is no reason why Congress should not. I have offered a resolution to get Congress to do that very thing.

Mr. AMLIE. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Yes.

Mr. AMLIE. Does not the gentleman believe that in this day and age, since we have modern architecture, an effort should be made to build something in the spirit of the twentieth century rather than going back and reconstructing Hadrian's Tomb in the District of Columbia?

Mr. SCOTT. I agree with that. That is one of the reasons why I disapprove of the type and the design.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Yes.

Mr. CULKIN. The gentleman left the inference here, or somebody did, that Jefferson was a man of simple taste. Does the gentleman know that Jefferson over 100 years ago cut off the top of a mountain and built a magnificent home of his own?

Mr. SCOTT. I do not believe that I ever said that he was a man of simple taste, though others may have said that.

Mr. CULKIN. I am sorry. I thought the gentleman did.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. Yes.

Mr. FLETCHER. Jefferson had much to do with education and the freedom of speech, and since Washington left money to establish a national university, has the gentleman thought of the possibility of a university of the United States in the District of Columbia as a memorial to Jefferson?

Mr. SCOTT. Oh, people have made a number of suggestions worthy of attention, and that is one of the reasons why I would rather not see it done now. The other objection I made at the time is that \$3,000,000, or whatever it will cost, is an expenditure that should not be made at the present time. We have been asked to balance the Budget. We have been asked to spend money that would bring relief to people who need relief. I do not believe that \$3,000,000, or the original \$500,000 expenditure, would bring as much relief by building a memorial to Thomas Jefferson as it might in some other way. I personally would not like to vote for a \$3,000,000 memorial at the same time that I am asked to vote against increases in the relief bill that will come back to us later. We have been asked to balance the Budget. Here is the way to keep \$3,000,000 that can be expended some time later when we are in a better position to do it.

I am not going to suggest that the \$3,000,000 be saved. I hope they will cut it out entirely because I want to use the \$3,000,000 that can be saved by knocking out this \$500,000. I want it used in another way. I want it to go directly into the hands of some people who would spend it immediately and put it into circulation. We have been told this afternoon that one of the things wrong with our money is that it is not circulating rapidly enough. I can give you a way in this bill of putting that money directly into the pockets of people who would put it into immediate circulation. It would not be placed into heavy costly materials or anything of that kind.

In this bill the committee has put in again the proviso that does away with what are known as reenlistment allowances to the men in the uniformed services of the United States. This elimination has been carried by proviso in appropriation bills for the last 5 years. After a man has served 3 years in the Army, Navy, Marine Corps, or the Coast Guard, if he reenlists, he is given a reenlistment allowance. Five years ago they did away with that as part of the economy measure.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 4 additional minutes to the gentleman from California.

Mr. SCOTT. As an economy measure, that was taken away from these men. They were told at the time that this was just for that fiscal year. Every time the measure was adopted the statement was made that it was just for that fiscal year with the implication at least that the next year we would not do this thing. The men in the service have looked upon that and are entitled to look upon it as part of their pay. It is not what the committee chooses to call a reenlistment bonus or a reenlistment gratuity; it has always been called since its adoption in the bill a reenlistment allowance. That was for the purpose of giving to the men who reenlisted money with which to buy new uniforms or to pay their expenses home for a visit with their families. It was used in addition as a way of encouraging the men to reenlist; but as is admitted here, that is no longer necessary.

When the bill goes to the Senate they are told that this restriction simply continues a practice that has been followed in the past, but when it comes to the House we are told that this is for just another year. When it was put in the appropriation bill last year we were told that this was for just another year. The chairman of the deficiency committee said: "Just as soon as we are able to give it back I believe we should give it back"; but in this year in the report of the deficiency committee the House is now told that this is the custom. There is permanent legislation. We are agreeing to do away with our reenlistment allowance entirely and nothing so far has been done. I will tell you why nothing has been done. The provision is out of order; it would be legislation on an appropriation bill and subject to a point of order. It has not been offered for this reason. Why it is put into this deficiency bill now I do not know, because I still believe it is subject to a point of order, and I intend to make a point of order against it when we get to it; but at the same time that it is knocked out on a point of order it will be necessary to put into the appropriation bill the amount required to pay these reenlistment allowances. The reason for my taking the floor this afternoon is to give notice of the fact that I intend to offer an amendment increasing the amount carried in this bill by something like \$6,000,000 to pay these reenlistment allowances, and save it on the Jefferson Memorial.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. SCOTT. I yield.

Mr. HOUSTON. I am in sympathy with what the gentleman has said, but I was under the impression that the reenlistment allowances were offered to induce men to stay in the service on the theory that they got a better class of men to go into the service and in the end would save the Government money because they would not have to train them as they do raw recruits.

Mr. SCOTT. That is true, but I do not like to base my argument on that. It is coming to these men. As I said before, they have been led to believe for 5 years that this was just for 1 year only, that it would be given back to them the next year. Now at the end of the session is neither the time nor the place to do away with reenlistment allowances. The effect of the provision carried in the bill is to say that this is permanent and that they are taking it away from the men entirely.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, it was my privilege for several years prior to coming to Congress to be directly connected with agriculture in several States of the Union and in Canada to some extent. When the 1938 agricultural bill came up for consideration and passage I voted against the bill for two or three major reasons.

First, I did not feel I had any right, constitutionally or otherwise, to vote for a measure of that kind, which throws such a control, influence, or cloak about the life of farmers of this country.

Second, I had no faith in the efficacy of the act insofar as increasing the income of the farmers.

Third, I had no confidence in the price-fixing or price-stabilizing provisions of the bill.

I have so stated to the farmers in my district. I have in no way propagandized against the bill and I have not agitated for or against it in any way. During this past week in my home county in the Saginaw Valley where diversified agriculture is carried on in a most successful manner, there was a general revolt against the administration of the act. It came out of a clear sky like a bolt of lightning. The farmers have sent me petitions signed by almost 600 farmers this week and I understand that something like 1,500 additional names will be sent in before the week closes.

It seems that they are just about as bitter against the administration of the act as farm people can be.

Let us consider this matter for a moment. There is such a thing in this world as transportation facilities, and if you do something in the way of fixing agricultural prices in one given geographic area and foodstuffs are being produced in adjoining areas, even though there may be 3,000 miles of water between those areas, and the prices are run up through means of transportation, traders find a way to get the goods on the ground where the high price prevails. Taking this simple statement and applying it to the ways of traders, I do not believe the provisions in the Agricultural Act of 1938 will bring to the farmers of this country anything other than economic detriment instead of the things which the bill is purported to be designed to bring to them in the form of blessings.

I make this short, simple statement this afternoon somewhat in response to a request from farmers that I make known to this body briefly my views with respect to the act.

Mr. Chairman, I operate a considerable acreage of land of my own and I do not operate through tenants. I operate it through my own check book, taking the losses or the gains as they may occur. I also own a considerable acreage which I do not operate, but which I lease.

Based upon 26 years of tilling the soil and 17 years' experience in handling the products of the soil, through manufacture and sale, I can find no reason on earth for an act such as the 1938 Agricultural Act.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CRAWFORD. Mr. Chairman, if this act is left on the books as it is at the present time I think in due course it will prove to be a curse of the most staggering nature to the farm people and to the so-called city consumers of the United States. If the people want it, certainly I shall not agitate them not to try it out. I shall leave it entirely up to them. If they want to vote control through these referendums, let them go ahead and vote it and God help them; but personally I have no confidence in it whatsoever.

May I emphasize this: I do not believe there is anything in the Constitution that authorizes me or gives me the right to sit on the floor of this House and vote for such an act being wrapped around the agricultural and farm people of this country.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. When the gentleman makes that charge, does he have in mind all the commodities involved, or is he thinking of one commodity more than another?

Mr. CRAWFORD. I am thinking of every food commodity produced from the soil of the farms of the United States, including wool, beef and hides, mohair, and all of the closely cultivated crops, such as cotton, tobacco, grains, and so forth.

Mr. MURDOCK of Arizona. From the gentleman's years of experience, can he suggest a better policy other than the absence of legislation?

Mr. CRAWFORD. Yes; I think I could suggest a lot of policies that are better than this one we are now trying, at least what in my opinion would be better plans.

For instance, in this connection, let me submit for the gentleman's consideration some further observations dealing with a series of discussion on this floor the past few days. I refer to the presentations made by the gentleman from Nebraska [Mr. BINDERUP]. He has told us something about the public psychology of so-called fear and confidence and its effect on the velocity of money and he related this fear to bankers' meetings and resulting decisions to contract the money supply—credit. In a way he left with some the impression that if his plan was adopted we would have no further trouble with velocity or hoarding of money.

PRICE TRENDS AND SOME FACTORS INVOLVED

Price trends, whether they be related to raw foodstuffs stored on the farm or finished products in the warehouse or on shelves of the retail trade, are known to feed on themselves. History teaches us they become cumulative and without any other reason than the very trends themselves. The 1938 Agricultural Act is a great scheme which has been presented to the American farmer and citizen as one that will greatly increase the incomes of the farming class. Its quantitative controls are defended on the grounds they will "up" the price on farm products, give a greater share of the national income to the farmers, increase their buying power and all at the same time protect the city consumer against the ravages of high-cost foods. Price trends, therefore, should be used as a criterion for quantitative controls.

It would seem unreasonable for us to assume the supply of money or credit has no relation to price trends and levels. Our economy operates under a fractional reserve banking system and certainly we must admit the expansion and contraction of bank credit has something to do with booms and depressions, with hoarding and spending, with optimism and pessimism, with buying long and selling short, with hedging, buying from hand-to-mouth, letting the producer carry the whole load, and the use of money as stored value. But does the 1938 Agricultural Act deal with these closely related factors? Not at all. It leaves these powerful forces free to play such havoc as they may chance to exert on the well-laid plans of the Secretary and his thousands of local committees.

MONEY AVAILABLE AS PURCHASING POWER

I think you will agree with me that in the long run general price levels are admittedly a matter of the quantity of money available as purchasing power. The money of our country today so available certainly includes demand deposits. And these we know are altered perversely in quantity by expansion and contraction of bank loans and investments at just the wrong time. Will you not admit that at this very moment the business-cycle problem which is plaguing us is a question of public psychology in prices and not at all a matter of statistical needs in the expansion of industry and trade for a growing population? Millions of people are hungry. They are poorly housed. They are inadequately clothed. And this at a time when we are exercising crop control. The need is so evident. But look at your price level on farm products. Has the trend been upward since the control plan began to operate? Have we forgotten that a fever chart is a picture of abnormalities which cannot be cured by feeding the patient as if he were in a state of perfect health? The fever must be allayed first before the patient can absorb a normal diet. Prices must be controlled if purchasing power is to be controlled by the quantity of money in the hands of the spending public. But you say, "How?" Go read what Dr. Goldenweiser, of the Federal Reserve System, has to say. He is not the only one that has been stumped by this question. He deals with the proposition that monetary control is somewhat impossible except through Government control of virtually all economic activity. Does the 1938 Agricultural Act take these fundamentals into consideration? In my opinion it does not. Look at the conclusions in this respect which have been reached by the European nations in the development of both communistic and fascistic controls. Did they not try to attain their control by leaving out of the picture the element money, and have they not found their original plans were impossible of accomplishment? How long did Russia stick to her original plan? Not for long.

NOTHING NEW IN AUTOCRACY

I see no reason at all for thinking that in autocracy, whether it be in the form of a Stalin or in a modified type, we can find the solution of the problem of money and prices. Domestic blood purges, foreign truculence, political compliance purchasing, are all obvious confessions of failure to meet this problem and solve it.

Consider the powers that have been given to the Federal Reserve Board. And let me admonish you to consider the powers that have not been extended to this most important body. Consider the difficulty this Board now faces. Do you think the exercise of the power to expand money supply by this Board would control prices of farm products? If Congress surrendered to that Board its taxing power and the Board then proceeded to contract the money supply, if prices should rise too rapidly or too high, through increasing the tax burden, and expanded the money supply through decreasing taxes, if prices dropped too low, that procedure would indeed take us into new realms. But you would not delegate to this Board the power to tax because in so doing you would be granting to the executive department a power which the Constitution reserves to the legislative body. For the purpose of discussion only, I raise the question, By what means can prices be made literally stable—particularly under discretionary control, however expert?

SPECULATION OPEN TO EVERYBODY ON SAME BASIS

Again for discussion let me submit to you the question of the advisability of taking control out of the hands of any authority whatever so that such variations as do occur will be the result of speculation open to everybody on the same basis but limited in scope by definite rules in control of tax rates. Would we not find that with inflation increased by automatically lowering tax rates and decreased by raising them, also automatically, whenever prices rise, money would be made not literally stable in trading value but neutral in trade because of strictly limited and exactly equal opportunity to speculate or hedge in money in every short-time business transaction.

Rigid and tardy elements may at times neutralize the really sensitive agricultural prices and so obscure the real situation as to prevent or delay needed action. The Farm Bureau has recognized these perverse and hindering elements. Henry Ford has recently pointed out the basic position of wheat in economic values and I also refer you to authorities such as Walsh and Professor Knight, of Chicago, and Irving Fisher, the economist.

Go look at the monthly graphs of the Bureau of Labor Statistics and see how farm prices follow the boom-slump trends more sensitively than other prices and note particularly how sensitive staple food crop prices are. For simplicity and freedom from virtually all possible monopoly interference in preventing price changes that show changes in the purchasing power of money as they actually occur in the public psychology of price levels, no other index can equal that of staple food and feed crops such as cereals, potatoes, peanuts, and sugar. It is these prices which the history of the futility of price fixing by bureaucrats and dictators, even under the death penalty, as in Germany recently, has shown cannot be held stable by any device whatever as against inflationary or deflationary changes in active money supply.

Under modern conditions of communication and transportation the whole question of ever-normal granary is brought under observation. World prices control food crop markets. Did you ever hear of such a thing as a worldwide drought? In agricultural trade there are wheels within wheels and much grain trade is nothing short of international dumping. The supply of money causes marked swings in farm prices. When money is abundant, the traders use every little rumor of bad crop conditions as a means to "bull" the price and this "up" in price does not fall off when the rumor proves to be unfounded. If money is scarce, then the weather always seems favorable to the crop trader. Farm income in general should rise and fall, not with changes in crop prices in general, but with changes in farm

costs in general, that is, in the general parity of prices. The farmer is entitled to income on the basis of his costs—he should have an income that covers his costs and then have something in addition to that cost—just as other branches of industry enjoy. I have not found in the 1938 Agricultural Act provisions which I believe will solve these problems for the American farmer.

I refer those who are interested to pages 8270-8271 of the June 6 RECORD for bill of complaints which have been made against the act by the farmers of my home county, Saginaw County, Mich.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN of New York. Mr. Chairman, the way that public clamor, to a certain extent, has centered around the head of the Chairman of the Thomas Jefferson Memorial Commission would lead one to believe he was guilty of some great crime; that he was guilty of carrying on something that should not be permitted to be done under ordinary procedure. Yet the Commission, of which I have the honor to be Chairman, has done nothing but endeavor to carry out the mandate of the Congress in providing for the city of Washington a permanent memorial to the memory of the author of the Declaration of Independence, the third President of the United States, and the author of the statute for religious liberty in Virginia—nothing more nor nothing less.

The trouble with the whole situation, as was exemplified very clearly to you this afternoon by the address of the gentleman from Oklahoma [Mr. JOHNSON]—the keynote of the whole situation—is lack of information, the giving of misinformation, and not only that, but the steadfast purpose to adhere to this misinformation, even when correct facts have been furnished.

A series of misstatements was made by the gentleman, every one of which could have been cleared up and answered if the gentleman had taken the trouble to read the hearings before the deficiency committee on this bill. The gentleman said he did not know where we were going to put the memorial. The world knows where we are going to put it. He said he did not know anything about the design. The world knows the design. So it is with some of the Washington papers, which are, day after day, printing misstatements. Although the correct information was made available to them, they would not publish the truth in their columns.

Many men forget that were it not for the Louisiana Purchase by Jefferson and for the development of the Great Northwest through his encouragement of the Lewis and Clark Expedition, they should not be sitting as Members in this House today. Some of them would perhaps today be vassals of a foreign potentate.

It has been said, "Oh, you should not spend the money just now. We need it for other purposes." In your own daily life, in your little household budgets, there is always something you want or that your family wants, and you try to make provision some way or other for it. So it is that we should not degenerate into a Nation of money-grabbers, seeing and knowing nothing but something with which to boil the pot. We must have some finer sensibilities in life. Indeed, life would be dull and gross if we had nothing to actuate us other than the daily grind for bread and sustenance.

So it is that in carrying out the mandate of Congress, your Commission endeavored, in every way, to cooperate, not only with the Commission of Fine Arts, but also with the National Park and Planning Commission. We went so far that at the very first meeting of the Commission, which embraced an inspection of sites in the city of Washington, we had with us in viewing the locations Mr. Charles Moore, then the Chairman of the Commission of Fine Arts, and Mr. Frederic Delano, Chairman of the National Capital Park and Planning Commission. Nothing we did was done without the cooperation of these men. For over 20 years Mr. Moore was Chairman of the Commission of Fine

Arts. The beautiful buildings and embellishments of this great Capital City are the result of his advice and guidance. Mr. Moore sat with us, representing the Commission of Fine Arts, up to about a year ago. Then there were vacancies on that Commission.

The President appointed new Commissioners, and among them was the present Chairman of the Commission of Fine Arts, who was distinguished as a landscape architect, and who won fame in laying out some of the parkways in Westchester County in New York State. Immediately after this gentleman assumed the chairmanship he wanted everything changed. Just figure yourselves, as serving on a commission and going along in good faith, as you understood the situation, with the authoritative officials whom you consulted constantly and making plans which were approved by them, and having them even going as far as to tell you their choice of an architect. The late John Russell Pope was suggested by Mr. Moore. This shows you that we did everything we possibly could in conjunction with them.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman recalls that the present Chairman of the Fine Arts Commission was present with Dr. Moore, the former Chairman, at our hearings and our discussions of this question, but never raised a single bit of objection to any of our proceedings.

Mr. BOYLAN of New York. That is true. The gentleman has well stated what occurred.

Mr. CULKIN. Thereby he acquiesced in the conclusions of Dr. Moore and our Commission.

Mr. BOYLAN of New York. The gentleman is correct.

After adopting the plans in good faith, as we thought, this new Chairman wanted a change in the entire set-up. Our Commission tried to conciliate him, even with the change, and went along for nearly a year. We had the architect draw four or five new plans, but every one of the plans was rejected by the Commission of Fine Arts except one. This one plan was one that had won the prize in a competition for a memorial to be erected to the late President Theodore Roosevelt. It was a beautiful design, but it would be a very costly memorial.

The memorial and all the embellishments that went with it would cost approximately \$14,000,000. That was the only plan the Commission of Fine Arts favored. Our Commission was authorized to spend only \$3,000,000. It has been said here today that nobody knows what this memorial will cost. Let me tell the House that the architects' estimates are less than the authorized figure of \$3,000,000.

Mr. FLETCHER. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. I yield to the gentleman from Ohio.

Mr. FLETCHER. The gentleman refers to a memorial designed for the late Theodore Roosevelt. Because of the wide difference in the personality types of Theodore Roosevelt and Thomas Jefferson, would the architect's design for a memorial to Theodore Roosevelt be appropriate in expressing the Nation's idea of a proper memorial to Jefferson?

Mr. BOYLAN of New York. Of course, the main motif of the Roosevelt Memorial was that in the center there was a fountain, just a single jet, which was supposed to symbolize the activity of Theodore Roosevelt, whereas in connection with the Jefferson Memorial we tried to have a design in conformity with the wishes and the personal and public practices of Thomas Jefferson as an architect.

As I say, the only plan submitted that received the approval of the Arts Commission was this \$14,000,000 proposition. We told them that was beyond reason, because we would not ask Congress for any such amount, and we would not expect to get it. The answer to this was, "Well, get a continuing appropriation and come in each year and get more."

We did not care to do this. We want to keep strictly within the authorization that Congress set, which was \$3,000,000, and, as I stated, the architect's estimates, including

roads and approaches, are less than that amount. So there is really no sound reason or argument that can be advanced against the present proposition.

Last year it was said that the memorial projected into the Tidal Basin and that it would change the contour or the irregular lines of the basin and also interfere with the flushing of the Washington Channel. So, in order to overcome this objection, we had the architect change the plans and move the memorial 450 feet back from the southern shore of the Tidal Basin and place it on solid ground. Therefore the contour of the Tidal Basin will remain exactly as it now is.

Someone said, "Well, it will interfere with the vista." The vista theory was something new, so we looked up the vista and the only thing you could see in the vista was a railroad bridge, so we were not interfering with much of a vista when that was all that could be seen.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BOYLAN of New York. Then it was said the Chairman dominates the Commission. This is utterly ridiculous when you think that we have three Members of the Senate on it and three Members of the House and three members appointed by the President who are lineal descendants of Thomas Jefferson, and three members appointed by the Thomas Jefferson Memorial Foundation who purchased his home at Monticello.

These gentlemen are of opposite political faiths, Senator McNARY, minority leader of the Senate, being vice chairman of the Commission, and another member is our own good and worthy friend, the gentleman from New York [Mr. CULKIN], a most energetic and able member of the Commission, and I will say this: While we had differences of opinion on matters, yet we never came to a final conclusion on anything of importance without the unanimous vote of the Commission. We even adjourned meetings when some of the members were absent in order to have every man express himself. The idea that I could dominate all these splendid gentlemen is foolish. Furthermore, I never have tried to dominate anybody. So to say that I would pull these men around to do this, that, or the other thing, is so absurd that I have a mental laugh every time anyone speaks of it.

These are the basic facts. We have not done a thing except what you wanted us to do. We have tried to meet every shade of opinion, and, as I say, we were approved by the Arts Commission and then a new man comes in and disapproves. He wants something that Congress will never pay for or even allow.

Then, again, the statement was made that we did not give proper publicity, and so forth. I caused to be printed in the Washington papers a chronological list giving all the dates of the meetings and everything else, and I shall insert this in the RECORD as an extension of my remarks, and if there are any questions any gentleman would like to ask, I shall try to answer them.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BOYLAN of New York. I yield.

Mr. CULKIN. May I ask the gentleman this question, as I did not cover it in my discussion of the matter? Is it not a fact that the proposed memorial is a composite of Jefferson's architecture and it is a fact, of course, that Jefferson was the first American architect and one of the greatest?

Mr. BOYLAN of New York. Yes; that is true.

The chronological list follows:

Records of the Jefferson Memorial Commission sharply controverting statements of the Commission of Fine Arts were released today by Hon. JOHN J. BOYLAN, Chairman of the Jefferson Memorial Commission, who expressed strong resentment at what he termed the misleading and one-sided account issued by the Fine Arts Commission.

He supplied the following chronology of meetings of the Jefferson Memorial Commission attended by representatives of the Commission of Fine Arts, and of other relations with the Commissions concerned:

1935

April 13: Organization meeting of Jefferson Memorial Commission. Invitation to Messrs. Charles Moore, Chairman of the Commission of Fine Arts, and Frederic Delano, Chairman of the

National Capital Park and Planning Commission, to attend subsequent meetings.

April 30: Charles Moore represented Commission of Fine Arts.

May 14: Visit to proposed sites with Mr. Moore.

June 20: The National Capital Park and Planning Commission represented by Arno B. Cammerer, vice chairman. Tentative selection of South Axis site.

August 1: Conference between representatives of the three Commissions, including Gilmore D. Clarke of the Commission of Fine Arts (now its Chairman).

August 15: Meeting of Park and Planning Commission. Mr. Delano in the chair. Jefferson Memorial Commission represented by Hon. JOHN J. BOYLAN, chairman, and Fiske Kimball.

December 4: Commission of Fine Arts represented by Mr. Moore and H. P. Caemmerer, secretary; Park and Planning Commission by A. B. Cammerer, vice chairman, and others. Decision to choose an architect by direct selection, and selection of John Russell Pope as architect of the memorial.

1936

March 2: Submission of preliminary designs including Pantheon design for South Axis site.

March 9: Copies of these designs supplied to Mr. Moore for Commission of Fine Arts.

March 24: Revision of Pantheon design authorized to reduce cost.

December 1: Presentation of revised Pantheon design.

1937

February 18: Unanimous adoption of the South Axis site and Pantheon design. John Russell Pope formally retained as architect. Drawings supplied to Mr. Moore for submission to Commission of Fine Arts.

April 22: Fine Arts Commission represented by Messrs. Moore and Clarke. Discussion of alternative treatment of setting and approaches. No objection raised to site or to Pantheon design.

July 13: Modified scheme authorized for setting of the memorial, leaving outline of Tidal Basin undisturbed.

August: Resignation of Mr. Moore as Chairman of the Commission of Fine Arts accepted.

September 29: Meeting of Commission of Fine Arts. Jefferson Memorial Commission represented by Mr. Fiske Kimball. Commission of Fine Arts approved the location but requested preparation of alternative designs of the memorial by Mr. Pope's office.

1938

January 25: Commission of Fine Arts represented by H. P. Caemmerer, secretary. Two alternative design studies submitted.

February 3: Meetings of Commission of Fine Arts and of Park and Planning Commission. Jefferson Memorial Commission represented by Mr. Kimball. Disapproval of Pantheon design by Commission of Fine Arts.

February 5: Informal conference with members of the Commission on Fine Arts.

February 17: Meeting with full membership of Commission of Fine Arts. Park and Planning Commission represented by Mr. Delano and others. In spite of unanimous preference expressed by members of Jefferson Memorial Commission for the Pantheon design, it was resolved, in the interests of harmony, to adopt a counter suggestion of the Commission of Fine Arts.

March 19: Submission of further studies to Commission of Fine Arts, which disapproved them and urged adoption in full of the scheme designed in 1926 for the same site as a memorial to Theodore Roosevelt, and then estimated to cost \$14,000,000.

March 22: Commission of Fine Arts represented by H. P. Caemmerer, secretary; Park and Planning Commission by Mr. Delano. On realization that the design approved on February 17 was a modified version of the Theodore Roosevelt Memorial proposed in 1926, the Jefferson Memorial Commission voted unanimously to resubmit the Pantheon design for approval by the Commission of Fine Arts with request for their approval.

March 24: Commission of Fine Arts declined to approve Pantheon design and proposed to reopen the whole matter from the beginning.

March 29: Jefferson Memorial Commission unanimously resolved to recommend Pantheon design to Congress.

It appears from the above that the Commission of Fine Arts was consulted at every step. We had the concurrence of their representatives as to the manner of choosing an architect, as to the choice made of an architect, of a site and of a design, down to last September, when the change in the chairmanship of that Commission occurred. Even then we made great efforts to meet their desires. We devoted 8 months more, and had four additional designs prepared following the line of their suggestions. Against all our preferences we even approved one of these designs, but this approval was given without realizing that it was merely a rehash of the old Theodore Roosevelt Memorial design.

The powers conferred on the Commission of Fine Arts by Congress are merely advisory. Even when their advice to us changed we went against it with great reluctance. Now they state their prestige will be injured if we do not take

their advice, and in effect they demand an absolute veto power. The Jefferson Memorial Commission was charged by Congress with the responsibility of choosing the design and after considering every phase of the matter for years we have exercised that responsibility, in line with proposals continuously before the public for a generation. Congress and the Nation want a Jefferson Memorial and want it now, and they are not going to tolerate attempts to defeat such a memorial by proposals of further delay.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, you know that many of us feel the Government is doing too much in the development of foreign markets and buying too much goods from foreign countries and thereby hurting the industries and the workers in our own country.

There is a great deal of propaganda by the administration for the reciprocal-trade agreements and it has been difficult to secure a fair hearing for the workers in industry to present their arguments to prove that industry and agriculture have been hurt in many instances as a result of these reciprocal-trade agreements. In these days of very great unemployment, everything should be done to stimulate our home markets, to stimulate buying in the United States of America in an effort to put our people back to work.

I did not realize until yesterday how much has been done during foreign-trade week in the New York schools to further buying foreign-made goods and I was shocked. I have in my hand a copy of a syllabus on foreign trade which was used in the New York schools, I think from May 22 to May 28, and I am told the syllabus is still being used. It was prepared for the high-school division by the board of education of the city of New York, by the high-school coordinating committee, and the New York National Foreign Trade Committee, the High Schools Principals Association, with the cooperation of the Bureau of Foreign and Domestic Commerce, the Chamber of Commerce of the United States, and the Port of New York Authority.

We all know that our exports are and have been no greater than 10 percent of our production, and our domestic market is 90 percent of our production, and the encouragement of imports is an invasion into our domestic market, and our domestic market is the best in the entire world. I secured this copy of the syllabus from the Department of Commerce. I think they have not many copies, just a few. I was under the impression that they had circulated it as a Government document, but I am mistaken, according to a letter from Mr. Dye which I will read later, although they had a hand in it. In this syllabus there is not one single word about our own products being better than the products of other countries. In fact, in unit 1 (d) the first page of the syllabus, in speaking of foreign production, it says:

All of us are attracted by new and novel things; also, we believe that imported goods are better than our own. This further encourages trade between nations.

It seems an appalling thing to me that this should be given to the teachers to use, and this information has been used in the schools. I should like to read to the Members the letter that brought the syllabus to my attention.

Mr. FLETCHER. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. Yes.

Mr. FLETCHER. Does the gentlewoman mean to imply that the Department of Commerce is advocating the purchase of foreign goods?

Mrs. ROGERS of Massachusetts. No, although from the syllabus it looks very much like it. I shall include the letter, which he wrote me yesterday as a result of a telephone conversation. I wanted to be just to him before I brought it on the floor. In the beginning I thought they got this syllabus out and circulated it as a Government document but apparently they did not.

Mr. FLETCHER. Apparently the syllabus would try to sell the idea to the young folks that foreign goods are better than ours.

Mrs. ROGERS of Massachusetts. Yes, and it is an outrageous thing. I think it should be counteracted in some way. To be fair to the Department of Commerce I shall insert in the RECORD Mr. Dye's reply to my telephone conversation. I shall read the last paragraph.

Mr. CULKIN. And if that occurred in Russia they would "liquidate" the man who got out the circular.

Mrs. ROGERS of Massachusetts. This was gotten out by the New York group, and they used facts from the Department of Commerce and the Port of New York Authority.

Mr. CULKIN. Did it purport to come from the Department of Commerce?

Mrs. ROGERS of Massachusetts. No. Although the Department contributed to it I shall find out later just how much it did contribute. If the gentleman will read the outside of the syllabus he will read that it was gotten out by a committee with the help of the Department of Commerce and the Port of New York Authority.

Mr. CULKIN. The gentlewoman believes that we are suffering from a mixed nationalism in this country, does she not?

Mrs. ROGERS of Massachusetts. I shall answer that later on. I read from Mr. Dye's letter:

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, June 6, 1938.

HON. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSWOMAN: Confirming the telephone call from your office this morning, I take pleasure in sending you herewith my file copy of Syllabus on Foreign Trade, which was prepared for high-school division, board of education, city of New York, by the high-school coordinating committee of the New York National Foreign Trade Week Committee and High Schools Principals Association. Statement is made on the cover of the syllabus that it was prepared with the cooperation of the Bureau of Foreign and Domestic Commerce, Chamber of Commerce of the United States, and the Port of New York Authority. Our part in the cooperation consisted of furnishing factual information utilized in preparation of the bulletin.

Since this bulletin was published we have received a number of complaints about the statement under unit No. 1, "D." " * * * we believe that imported goods are better than our own * * * ." Of course, this does not express the opinion of the Bureau of Foreign and Domestic Commerce, and we have called the attention of the committee which prepared the syllabus to our position.

Yours very truly,

ALEXANDER V. DYE, Director.

I have a very strong feeling, Mr. Chairman, that if some of the figures were checked there would be discrepancies found. The effort is not great to sell the idea of buying foreign-made goods to the teachers and pupils in the schools.

This letter from Milwaukee says:

JUNE 4, 1938.

HON. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: Confirming my letter of May 14, beg to draw your attention to the letter written by Capt. F. X. A. Eble, director of the Made In America Club, Inc., addressed to Secretary of Commerce Daniel C. Roper, in which he caustically criticizes the issuance of a syllabus by the Foreign Trade Week Committee, intended for distribution to the high-school teachers of New York City, with the cooperation of the Bureau of Foreign and Domestic Commerce. Part of Captain Eble's letter reads as follows:

"This document, which contains 14 pages, is to be distributed among the high schools of New York City by the New York Board of Education, and the material contained in the syllabus is to be a part of the curricula of the students during foreign-trade week. Well, here is a paragraph, Mr. Secretary, which will not make you feel very proud of that document:

"All of us are attracted by new and novel things; also we believe that imported goods are better than our own. This further encourages trade between nations."

"There are various other very objectionable features in the document, but the above 'teaching' is something that American business and American workers will not stand for. * * * we look to you to correct this false statement and to tell the American public the truth about merchandise that carries the label 'Made in U. S. A.' That is one of the functions of the Department of Commerce. At least, that is what the taxpayers, labor, industry, and agriculture expect of your Department."

We do not know whether this matter has come to your notice but undoubtedly Captain Eble will be glad to send you the entire correspondence if you so desire.

In contrast with this, we read in the Milwaukee Sentinel of June 3 that debating at Los Angeles High School, Lorraine and Gloria Malouf, aged 17 and 16 respectively, argued successfully the affirmative of the question: "Resolved, That 'Buy American' should be the motto of American purchasers." Their conclusion was, "Why should we become the dumping ground for inferior goods that undersell our merchandise and cause our factories to fail? Leading thinkers and merchants in this country know that the most reasonable way to insure national business recovery is to start the Buy American movement here. Let us be loyal to our countrymen, 'I buy American and spend American,' as has been patriotically declared in editorials. Let us see America first, keep American money in America, and provide employment for American citizens."

Here are two distinctly opposite views, and we all know which is the correct one and the wholesome one.

I feel so strongly, and I know that you do, that in developing our foreign trade we should not do so at the expense of our own workers and our own industries. We must guard against this insidious propaganda which is being spread through some of the schools. In developing the policy of reciprocal-trade agreements measures are taken that are very unfair. This syllabus speaks of watching the newspapers for advertisements of foreign goods. Not a word about watching the newspapers for advertisements for goods made in America.

Mr. FLETCHER. Are the items listed that they say are better than similar American-made articles?

Mrs. ROGERS of Massachusetts. Items are listed in the syllabus, and unit No. 1 (d) covers all items when it states, "Also, we believe that imported goods are better than our own."

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2 additional minutes to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The entire syllabus cries out that foreign-made goods are superior to American-made goods, and tells the children in the schools to watch for these foreign-made goods.

I think every Member of the House will bitterly resent that as much as I do. We should take steps to stop it, and if the Department of Commerce or the Port of New York Authority is to blame, we should censure them; but I believe Mr. Dye when he writes, "Of course this does not express the opinion of the Bureau of Foreign and Domestic Commerce." I shall make a further investigation of the matter, however, and also of the part played in the preparation of the syllabus by the New York Port Authority. We must do everything within our power to protect our home markets, to give our own workers a chance to exist.

The following is part of the syllabus:

SYLLABUS ON FOREIGN TRADE

We present herewith a syllabus of instruction in foreign trade, including its nature, extent, origin, and destination; its importance to the Nation and to our city in particular; the foreign-trade-agreements program; concluding with a special study of the port of New York.

We believe that this is in such form that the teachers of our high schools, whether of economics, civics, history, or economic geography, will find in this syllabus outlines of lessons that can be presented within the scope of the official courses, within the comprehension of the students, and interesting to the teacher as well as to the pupils.

UNIT No. 1

SYLLABUS FOR USE IN NEW YORK CITY HIGH SCHOOLS DURING FOREIGN TRADE WEEK, MAY 22-28, 1938

A. Introduction

1. May 22 to 28 is Foreign Trade Week.

2. Why is foreign-trade week celebrated? Exporters, importers, brokers, forwarding agents, banks, steamship companies, railroads, and others directly involved are all vitally interested in foreign trade. But do you realize that foreign trade affects each and everyone in some manner?

(a) To point out the significance of foreign trade to each individual is the motive behind Foreign Trade Week.

(1) The individual often loses sight of the fact that he or she is a direct participant in foreign trade. One of the ways is as a consumer of imported goods.

Suggestions to teacher: Inquire how many of the pupils had coffee or cocoa for breakfast. Point out that each, to that extent, participated in our foreign trade due to our dependence on foreign sources of supply for those commodities (coffee from Brazil and cocoa from the Gold Coast).

Other commodities that may be used for similar illustrations are: Chiclé from Central America in the manufacture of chewing gum; rubber from Malaya used in the making of tires; fountain pens, raincoats, elastic bands, galoshes, etc.; silk from Japan in the manufacture of hosiery, underwear, neckties, etc.; hides from Argentina in the making of shoes, gloves, handbags, luggage, etc.; wool from Australia in the manufacture of men's and boys' suits, rugs, carpets, sweaters, etc.; sugar from Cuba in the manufacture of confectionery; cork from Portugal.

1. Why do we have foreign trade?

A. Lack of certain essential raw materials.

(1) As pointed out above.

Suggestion to teacher: Have pupil list on blackboard above imported commodities (which we lack) and add others suggested by class (such as tin, nickel, platinum, sisal, asbestos, chromium, jute, tea, licorice, linen, bananas, and other tropical fruits, olives, dates, nuts, spices, mahogany, tanning extracts, diamonds, quinine, and ephedrin).

B. Reverse of above (many countries lack certain essential materials which we produce in large quantities).

Suggestion to teacher: Have pupil list on blackboard such commodities as may be suggested by class including cotton, petroleum, tobacco, copper, phosphate rock, rosin, turpentine, sulphur, borax, wheat, meat, lard, and apples.

C. Some countries over a period of years, have developed special aptitudes and skills, which combined with their natural advantages have enabled them to excel in the manufacture of certain articles.

(1) United States exports automobiles, sewing machines, typewriters, etc.

(2) United States imports watch movements from Switzerland, cameras and microscopes from Germany, tweeds from England, toys and novelties from Japan.

Suggestion to teacher: Have pupil list on blackboard similar commodities for our exports such as cash registers, business machines, automobile tires and tubes, fountain pens, mining machinery, agricultural implements, motion-picture films, radio apparatus, electrical appliances; and for our imports such as the Rolls Royce, Mercedes, Fiat, Benz, Hispano-Suiza, and other high-priced automobiles; hats and dresses from Paris; laces and embroideries from Switzerland; tableware from England; rugs from Persia and Turkey; mattings from Japan; binoculars from Germany.

D. All of us are attracted by new and novel things; also, we believe that imported goods are better than our own. This further encourages trade between nations.

Examples are: Belgian laces, French gloves, English pipes. Many American women prefer French cosmetics, while many French women purchase American cosmetics; American stylists visit Paris openings to observe the latest French styles, while French stylists attend Hollywood previews to note the trend in American styles, as exhibited by our screen favorites.

Exercise:

(a) Have pupils review the department-store advertisements and clip and paste in their notebooks all advertisements stressing imported goods.

(b) Have students make a list of qualities that are featured in these advertisements.

(c) Have pupils enter in notebooks a list of goods, appearing in current advertisements, composed largely of imported materials whose foreign origin is not mentioned.

NOTE.—The teacher will expect to find included in such a list: Confectionery, automobile tires, tea, coffee, mahogany furniture, quinine tablets, shellac, etc.

UNIT 2

2. Foreign trade of the United States

A. Historical development

(1) The discovery of America can be attributed to the desire for silks, porcelains, rugs, spices, jewels, etc., of the Far East.

(2) The independence of the United States was due in part to the attempt to regulate the marketing in the American Colonies of a foreign commodity, tea.

(3) The Louisiana Purchase was made by President Jefferson largely so that the settlers beyond the Alleghenies might export through New Orleans their lumber, flour, bacon, pork, and lard.

(4) Our first war, as an independent Nation, was fought with Tripoli to end the raids made on our shipping by the Barbary pirates.

(5) The War of 1812 was fought to establish the rights of neutrals to trade with belligerent powers.

Suggestions to teachers: The purpose of this introduction is to show that foreign trade has played an important part in our history in the past and is likely to do so in the future. Teachers of history may expand on this topic to a considerable extent. Have various pupils give 3 to 5 minutes oral reports on topics similar to the following:

(1) How did the interruption of overland caravan commerce by the Turks encourage discovery?

(2) Explorers often brought back goods that they had not sought, as tobacco and the potato. What was the effect of such goods on Europeans?

(3) How did the European demand for furs lead to our western expansion?

(4) How did the British demand for ship timber affect New England?

(5) How did the demand of Latin countries for fish food for fast days affect New England?

(6) How did the demand of Europe for wheat encourage the settlement of the Western States?

(7) What commercial interests were affected by the Spanish-American War?

(8) How did our trading interests affect our entrance into the World War?

B. Character of our foreign trade.

Exports (percent of total exports, in order of importance throughout).

Finished manufactures, 50 percent: Machinery, automobiles, petroleum products, textiles, rubber manufactures, paper products.

Raw materials, 22 percent: Raw cotton, leaf tobacco, crude petroleum, coal.

Semimanufactures, 20 percent: Copper ingots, bars and rods; sawn lumber, boards and planks; iron and steel sheets.

Foodstuffs, 8 percent: Fruits and nuts, meats and fats, wheat and flour.

Imports (percent of total imports, in order of importance throughout).

Raw materials, 32 percent: Rubber, silk, furs, hides, wool, oil-seeds.

Foodstuffs, 28 percent: Sugar, coffee, grains, fruits, and nuts.

Semimanufactures, 21 percent: Wood pulp, tin ingots, inedible vegetable oils.

Finished manufactures, 18 percent: Paper, cotton manufactures, burlap, flax, hemp and ramie; wool manufactures.

Suggestion to teacher: Have pupils prepare a bar graph, along lines suggested above, showing by means of different colors the extent of our exports and imports of the aforementioned classes of commodities.

C. Volume of trade:

In 1850 our foreign trade—including both exports and imports—amounted to about \$400,000,000. Today it is over \$6,000,000,000 or more than 15 times what it was at that time. In 1920, after the war, due to the needs of European countries our exports alone came to over \$8,000,000,000, while our imports accounted for an additional \$5,000,000,000 or a total of \$13,000,000,000. In 1929 our exports alone were equal to almost as much as our combined exports and imports last year.

The United States conducts about 12 percent, or approximately one-eighth, of the foreign trade of the world. It is the world's leading exporter and the world's second greatest importer. Only the United Kingdom has a larger share of the world's total, with 16 percent, two-thirds of which consists of imports into that country, which is the leading importing nation of the world.

Of our exports, 40 percent were shipped to Europe, of which three-fifths went to three countries: United Kingdom (cotton, tobacco, machinery, and petroleum), France (cotton, autos, machinery, metals, petroleum), and Germany (cotton and metals). The United Kingdom took about one-half of what we exported to Europe, or about one-sixth of all of our shipments abroad. Other prominent markets in Europe for our goods were Belgium, Netherlands, Italy, and Sweden. Canada took about 15 percent (autos, coal, petroleum). To Latin America we shipped 19 percent (metals, machinery, autos, petroleum, textiles, and foodstuffs), chiefly to Mexico, Argentina, Cuba, Brazil, Venezuela, Colombia, and Chile. Another 17 percent of the total went to Asia, of which Japan took about one-half (cotton, petroleum, metals, machinery, autos, and wood pulp), the remainder principally to Philippine Islands, China, and British India. Finally, 3 percent of our exports were shipped to Oceania and 5 percent reached Africa.

On the import side, about 27 percent came from Europe, one-fourth from the United Kingdom (textiles and machinery), but also from Germany (fertilizers, machinery, and canteras), France (wool, olive oil, glycerine, perfumes, laces, and furs), and Belgium (diamonds, barley, malt, zinc, cotton, rugs, and gelatin); another 31 percent from Asia (chiefly rubber and tin from British Malaya); silk from Japan; rubber, tapioca, tea, palm oil, and sisal from Netherland Indies; jute, burlap, and goatskins from British India; hides, furs, and wool from China; 23 percent from Latin America (chiefly sugar from Cuba; corn, flaxseed, and wool from Argentina, and coffee from Brazil); 13 percent from Canada (grain, newsprint, pulp, wool, furs, nickel, and asbestos); finally, 3 percent from Africa and 2 percent from Oceania.

Suggestions to teachers: (1) Have the pupils make a bar graph to illustrate the growth of our foreign trade since 1900. Use quadrille ruled paper ($\frac{1}{4}$ -inch squares) $8\frac{1}{2}$ inches by $10\frac{1}{2}$ inches which may be obtained from economics or mathematics chairman. Have the pupils draw a base line $9\frac{1}{2}$ inches (38 spaces) long, $\frac{1}{2}$ inch from bottom of paper to represent the time interval, from 1900 to 1937. Erect a bar at the years indicated in the table below. Each inch on the vertical scale will represent \$2,000,000,000. Have the graph neatly lettered and signed by the pupil. Display the best graph on the bulletin board.

Foreign trade of the United States, 1900-37 in billions of dollars

Year:	
1900	2.50
1910	3.75
1920	13.00
1930	7.00
1931	4.50
1932	3.00
1933	3.00
1934	3.75
1935	4.25
1936	5.00
1937	6.50

(2) Bar graph of regional distribution of exports and imports. Use quadrille ruled paper, and have students make a bar graph 10 inches long and 1 inch high for exports, and the same for imports; lay off each bar with appropriate shading to show facts given above. Have pupils explain the difference in our exports to Asia and our imports from Asia, exports to Latin America and imports from Latin America; contrast this situation with the virtual balance existing in our trade with Canada.

UNIT No. 3

3. Value of foreign trade to domestic production.

A. Exports

(1) Exports have averaged from 7 to 10 percent of domestic production in recent years.

(a) This volume of business may often mean the difference between a profit and a loss.

(2) Many businesses are dependent upon export markets for disposal of a surplus beyond domestic needs.

For example, with but 6 percent of the world's population, we produce 60 percent of the world's supply of petroleum, 40 percent of the world's cotton, 30 percent of the world's coal, and 75 percent of the world's automobiles. In some cases this foreign demand almost equals and occasionally surpasses our domestic demand.

Percent of production exported

Commodity:

(a) Crude materials:	
Leaf tobacco	36.0
Sulphur	27.8
Copper	32.7
Borax	32.5
Cotton	44.0
Phosphate rock	45.0
Gum rosin	49.6
Turpentine	48.2
(b) Foodstuffs:	
Canned salmon	15.7
Canned sardines	28.8
Lard	17.4
Pears	22.8
Raisins	26.5
Dried apricots	56.0
Prunes	41.8
Canned fruit salad	85.4
(c) Semimanufactures and manufactured products:	
Patent leather	68.5
Carbon black	33.1
Lubricating oil	30.9
Lubricating greases	39.9
Paraffin wax	44.4
Linseed oil—cake and meal	44.2
Carbons and electrodes	21.8
Dental teeth	17.8
(d) Machinery and equipment:	
Electrical apparatus and machinery	32.1
Mining machinery	19.2
Metal-working machinery	20.0
Sewing machines	36.0
Printing and bookbinding machinery	26.2
Office appliances	23.2
Aircraft	26.7
Radio apparatus	11.9

NOTE.—Above table includes only commodities where proportion exported is considerably greater than 10 percent. Several commodities produced in large quantities do not appear in this list, although the quantity exported is considerable. Typical of this situation is the automobile industry. While only 8 percent of the total production was exported in 1936, yet this included 358,000 passenger cars, trucks, and busses, valued at about \$160,000,000. A similar situation exists in many other industries, including these: Leather, leather goods, rubber tires and other rubber manufactures, cotton cloth, wearing apparel, paper manufactures, coke, medicinal preparations, cosmetics, soaps, and paints.

Suggestion to teachers: Have class discuss the importance of exports to domestic producers of cotton, tobacco, petroleum, sulphur, naval stores, dried fruits, etc., including a discussion of the purchasing power derived by them from the sales of such goods abroad, with which to buy manufactured products of industrial East.

(3) Foreign-trade activity gives direct employment to thousands in banks, steamship companies.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire to the gentleman from Mississippi [Mr. McGEHEE].

Mr. McGEHEE. Mr. Chairman, in the perusal of my mail from day to day, and in an effort to get the point of view of every group of individuals who write me for and against the many things that are being done, and contemplated being done, by the Congress, so as to analyze the viewpoint of the people throughout the country with that of my own, the captions of two or three of these statements impressed me very much. They show, not only to myself but to the membership of the Congress, the increasing tendency of thought

and belief of the people in the different sections that this Congress is legislating for one section, or the other, rather than for the whole country.

This, of course, is not true, because it is the intense desire of the Congress to pass acts that are beneficial to the people as a whole, but I call your attention to this fact, so as to impress on the minds of the membership the trend of thought of the people in the different sections, which is unwholesome for the future prosperity of the country, unwholesome to keep this a united people as it has been since its foundation.

We cannot stand idly by and permit such a condition as is facing our great Nation today to continue to grow fertile in the minds of the individuals or groups in any section of it. We must stop and give thought to this phase of the situation, with a view of an ultimate remedy. To disabuse the minds and thoughts of the people in this respect it must come from the representatives who compose these two legislative bodies.

The first statement that impressed me was one from a group of men in my section, the caption of which was "the Forgotten South." The next statement was from the representatives of the farm groups of the east, central, and western sections, relative to the stand of the Congress in reference to their business and avocation in life.

As I visualize the situation from the thousands of letters and statements, giving the viewpoint of the people, which come to my desk, this trend of thought is beginning to grow in the minds of every class of our people, whether they be farmer, laborer, banker, lawyer, doctor, businessman, or collective group of businessmen, hence it is like a dreaded contagious disease which is embedding itself in the whole body politic of this country. Every sane person knows when the individual has become afflicted with a dread disease there must be quick efforts to thwart its spread, otherwise it means death.

So, Mr. Chairman, this momentous problem which our body politic is infected with, must be treated and a permanent cure administered at the earliest possible moment, otherwise, nations can die as well as individuals.

In my opinion, there is not a Member of the two branches of the Congress but that is conscious of this fact and daily is becoming the more apprehensive concerning it and is giving hours of thought to the remedy that must be administered for the complete recovery of the patient.

As a Member of this body, and a representative of the people who are predominately agricultural, and one who realizes that the basic and fundamental problem must be solved to bring our great country back to normalcy, which is that of giving the proper aid and assistance to our agricultural people.

It will not be disputed by any person, whether they represent the body politic, industrial, professional man, or laborer, that when our agricultural people are permitted in an unrestrained manner to raise their products and place them on the market at a price that will give them a return that is commensurate with the labor performed, together with an amount sufficient to create a purchasing power by this class, then the wheels of industry will never stop, there will be no cry of unemployment, there will be no cry of the professional man as to hard times, no cry of the manufacturer or merchant as to the sale of their goods; in fact, that condition will place the machinery, not only of our Government in the collection of taxes to pay the expenses thereof, but every phase of the activity of its people on a normal basis.

The Congress today would not be called on, nor would they have been for the past several years, to increase taxes and appropriate the billions of dollars for relief, if that class of our people, the farmers, had been in a position to receive a price for their products sufficient to give them a purchasing power. We have followed the wrong policy for the past 5 or 6 years to create a condition whereby we can alleviate the situation that is existing.

Controlled production of farm products creates unemployment; when you restrain production of cotton, corn,

wheat, or any farm product, you place on the unemployment and relief rolls millions of people. You destroy the incentive of the youth today whose ambition in life might be to follow that avocation.

You not only do this when you restrain production as has been done for the past few years, but you open the markets of other countries to export its products to ours to feed and clothe our own people who are unable to secure work.

By reason of our doing this, I am amazed when I study statistics on the amount of imports to replace that which we have either destroyed or prohibited from raising and producing. There was taken out of cultivation around 40,000,000 acres of land in 1936 alone. There was kept from being raised around 7,000,000 hogs; over 1,000,000 cattle; 2,000,000 sheep; and, as a result of it, we imported during 1936 around a million head of cattle; 60,000,000 pounds of hogs; 100,000,000 pounds of canned beef; 10,000,000 pounds of butter; 35,000,000 bushels of corn; 20,000,000 bushels of beans; 75,000,000 pounds of potatoes; 140,000,000 pounds of turnips; 85,000,000 pounds of tomatoes; 125,000,000 pounds of oils; and 100,000,000 pounds of rice and flour. I understand, of all of these imported items, the amounts of some were probably increased for the year 1937.

Hence I want to say it is elementary as the learning of the A B C's as to what we are doing—how we are creating unemployment for the millions who would raise and handle these products; further, destroying the incentive of the youths reared on the farm today to follow the avocation of their fathers. Their only recourse is to go to our towns and cities seeking positions, and, if unable to secure them, they become a relief problem.

The object of my talk to the Congress today is to, with all the force and power that I have, impress upon the membership that we must solve this problem and give to that class of our people the aid they are entitled to, and when so given, in my opinion, we will eventually save our country from the position, as I see it, it will in the near future occupy; that is, one of a totalitarian state.

The solution of this problem, and it cannot be successfully contradicted, for the disposition of our farm products, is to permit our agricultural people to raise what they desire. This can be done, if the Congress, with some of the millions of dollars it is appropriating, will give to some of our governmental departments sufficient funds to create agencies in the different countries wherein they have offices, so as to arrange exchange of our products in a manner somewhat similar to that which I stated on the floor 2 or 3 weeks ago. It can be done by direct exchange and polyangular agreements as suggested, and, as I see it, it is the only solution for the future prosperity and return to normalcy of our country.

I stood on this floor some few days ago asking the membership to allocate a measly sum of \$1,000,000 to the Department of Commerce, merely to be used in the offices they have established in the foreign countries for this purpose, but on account of the jealousy of other departments and the propaganda spread around to the membership this was defeated.

I am not asking for this individual Department anything, because it is merely a part of our Government, just as is any other department. I do say let us allocate or appropriate moneys to every department of our Government that has offices in any foreign country, and let it be a sufficient amount to employ a personnel to carry out the program I have outlined to the Congress. I think I can safely assume that not over \$10,000,000 or \$15,000,000 would be a sufficient amount to do this.

Mr. Chairman, unless we give relief to the agricultural people in some way, I notice it is estimated that 400,000 farmers will lose their homes this fall. With the price of cotton, wheat, and corn declining as it is daily, and in the event the governmental departments that the Congress has appropriated for and delegated to lend them money on their farms, they will be compelled to take over not 400,000 but 75 percent of the farm homes within less than 36 months.

This may also be true in the F. H. A. and H. O. L. C. but the proper aid to our people, the farmers, in the proper

was as I am asking the Congress to do, will solve the problem insofar as farm homes are concerned as well as the F. H. A. and H. O. L. C.

Insofar as my individual section is concerned, there will be, this year, a carry-over of cotton larger than in the history of its production, yet, I know that with proper distribution, not only at home but abroad, if every bale that is in existence was properly manufactured to be used, it would take 25,000,000 bales more than is in existence today to meet the demand for it.

There is not a home in the United States, unless it should be the very rich, that has a sufficient amount of the necessities for the home from the manufactured products of cotton.

It is not too late, as the agricultural appropriation bill is in conference, and I want to say this to the conferees, to forget the detrimental and jealous propaganda that has been spread because of the selfishness existing in certain departments of our Government in trying to broaden its own powers, and make a sufficient allocation which has been authorized by the Congress, not only to the Department of Commerce, but to the Department of Agriculture and Department of State if necessary, all of which have agencies in most of the civilized countries of the world, so as to broaden their agencies and give this aid and assistance to the farmers of this country. If something is not done, woe be unto us and the Nation's condition in less than 12 months hence.

Mr. LUDLOW. Mr. Chairman, I yield such time as he may desire, to the gentleman from Missouri [Mr. ROMJUE].

Mr. ROMJUE. Mr. Chairman, at the beginning of the Roosevelt administration, 5 years ago, there was evolved and put into execution a policy of many ramifications but which may be succinctly described in two words—"recovery" and "reform."

The people had been demanding action in a voice strident and imperative. Already in certain of the agricultural sections of the Middle West farmers were grouping themselves together to resist by force, if necessary, the ominous, monotonous tom-toms of oncoming mortgage foreclosure sales.

It has always seemed to me that those weeks and months before November 1932 were more fraught with danger to our fundamental institutions than any other period of the present or recent generations of Americans. Verily we were then living on the edge of an economic volcano, so near the eruptive stage that any moment might have witnessed the destruction of all that we have held dear in the 150 years of liberty on this continent. I firmly believe that the country was saved only by the nearness of a national election and by the faith of the people in their form of government and the invincibility of the ballot as a means of correcting the wrongs of the few against the masses.

We need not press our memories hard to recall the high moments of President Roosevelt's first inaugural on the front steps of this Capitol. The events of that day are indelibly impressed in the minds of all who were there. The oath had been administered. The new President was standing in the presence of a hundred thousand of his fellow citizens, while millions of others strained their ears to every utterance as his voice went out to them on the radio. So engrossed were all that none in the throng would venture to applaud or make a sound lest thereby a word should be lost.

Consider that scene, my colleagues. Feel the drama of it. The circumstances of those times had crystalized the hopes and aspirations of a nation upon a personality. The future of the Republic for the moment was in the keeping of a single individual. Would he justify that faith and that confidence? Or would he fail the people in their hour of extremity and distress? The hour had struck; the moment had arrived for the answer.

Only a foolish optimist can deny the dark realities of the moment.

The new President was speaking with great earnestness. He was saying that the rulers of the exchange of mankind's goods had failed through their own stubbornness and through their own incompetence, and that those rulers had now ad-

mitted their failure and had abdicated. He then made a statement which was of the nature of a solemn pronouncement. He said that the Nation in its progress toward a resumption of work would require two safeguards against a return of "the coils of the old order." These safeguards were, he said:

1. There must be a strict supervision of all banking and credits and investments; and,
2. There must be an end to speculation with other people's money.

We often hear in this chamber and elsewhere the expression that this Nation is "at the crossroads." Probably we have encountered innumerable critical periods in the recent years of our history, but none of them, I apprehend, was more acute or more demanding of immediate, accurate thinking and action than that which confronted the Nation as a result of the ineptness of its leaders and of the controlling forces of our Government previous to the national election of 1932 and the inauguration of the new administration on March 4, 1933.

On that day, and during the days which followed that inauguration, history was made in America. A badly-used, discouraged, and sorely distressed democracy arose and shook itself to a new life and a new spirit.

It was during this time that there was a veritable procession of financial barons to Washington and the White House pleading to be saved from the consequences of their own selfishness and folly. There is ample reason for believing, as has been said, that these nabobs of the money world actually had the temerity to suggest to Mr. Roosevelt that he establish himself as a dictator. At that moment, such was the state of their minds, some of them, in craven fashion, were thinking of fascism as the only means of preserving their own wealth and position. The suggestion of dictatorship, of course, was rejected with scorn by the White House.

Secretary of the Interior Ickes recently had something to say on this subject in an address to which he gave the title of "Democracy or What?" He said:

Interestingly enough, those who were willing to accept a Fascist government . . . were not of the lowly or average citizens. They were those who, possessing wealth and economic power and social prestige, were willing to sacrifice the liberties of America that they might cling a little longer to their wealth and power.

Yet among these same barons of finance there are some who are up to their old tricks again, and in their machinations they are pleased to make it appear that our President has aspirations which look to a dictatorship for the United States.

At no time has there ever been any mystery, except the capriciously manufactured mystery of the self-seekers and propagandists, concerning President Roosevelt's ideas on such things as dictators. The President has not changed since he entered the White House. He is the same today as then. His has been a fight to advance and preserve democracy, not to destroy it. And to that end his efforts have been consistent and unrelenting.

A hundred and fifty years ago when the Constitutional Convention was at the end of its labors in Philadelphia, many of the delegates evidently were convinced that what they were establishing was something like a monarchy. Edmund Randolph said that the people would see "the form at least of a little monarch," and they did not want him to have despotic powers. When the sessions were over, a lady asked Benjamin Franklin:

"Well, Doctor, what have we got, a republic or a monarchy?"

"A republic," replied the doctor, "if you can keep it."

The situation existing today is somewhat similar. Great uncertainty prevails among the people as to their country's future course. It is an uncertainty based to a very large extent upon ill-founded rumor and downright misrepresentation. But it prevails nevertheless. The people, in a perplexity not unlike that of 150 years ago, are asking:

"What about our future? Are we to have a republic or a dictatorship?"

Franklin D. Roosevelt's answer could well and appropriately be a restatement of Benjamin Franklin's thought, his words only slightly changed—a republic if we can keep it.

For it was to the end that the republic should be preserved that the President in the beginning dedicated his administration to the broad policy of recovery and reform. To that course he has remained steadfast during the more than 5 years which his two administrations so far have covered.

Now, it so happened that in 1933 the people were unanimous on the question of recovery. Everyone wanted recovery. And they were almost, but not quite, unanimous on the question of reform. There were a few, invariably of the money oligarchy, who were dubious and vacillating on this phase of the administration's policy. Recovery they needed very desperately; but to be forced to accept reform along with it was to reduce their bitterness to the ultimate drags. They grumbled, but they took their medicine, while biding their time. And eventually, as we have witnessed, they became convalescent and were able to deride and curse the doctor who had placed them back on the road to economic health.

Let me turn back for a moment the pages of this narrative in order to catch a glimpse of some of the conditions that confronted Mr. Roosevelt as he took office in 1933. When Mr. Harding became President in 1921 there were in round figures 30,000 banks in operation in the United States. Because of what had been taking place, prior to 1933, this number was reduced to 15,000 before Mr. Roosevelt's administration had a chance to begin the work of rehabilitation. Which is to say, one-half of the banking establishments of the country were wiped out by the financial debacle of the three Republican administrations preceding the start of the New Deal.

From January 1930 to January 1934 there were 8,925 banks liquidated. In these liquidations were involved, in form of deposits and stock holdings, \$4,296,000,000, of which, by conservative estimate of the authorities, approximately 50 percent was a total loss. Contrast this situation with the next 4 years under the New Deal. From January 1934 to January 1938 there were only 181 bank failures in the country, and these involved only seventy-three millions of deposits; and 99 percent of the depositors to whom this amount belonged have been paid all the funds due them. This was possible, of course, because of the Federal deposit insurance law, which was passed as promptly as the President and the Democratic Congress could work out the details of the legislation. But other safeguards also have been created by this administration to protect depositors and investors. Since the first enactment, the Congress, by an act approved August 23, 1935, increased the amount which is guaranteed to an individual depositor from \$2,500 to \$5,000.

I shall not at this time and for present purposes go into a detailed discussion of the downfall of the country's economic system during the Hoover administration. Nor shall I attempt to review the multitude of Herculean endeavors put forth by the Roosevelt administration to effect a rescue. To do these things would necessitate my standing here for many days. The story of what happened to government in the 1920's is tragical; the story of the rescue is an epic commentary on the possibilities of a democracy when the people are proceeding in a common direction under a leadership possessing the intelligence and courage to act quickly and decisively in emergencies.

In New York City, in the heart of the Wall Street financial section, there is located an institution which is known as the New York Stock Exchange. The patrons of this institution usually refer to it as "the stock market" or "the big board." The exchange has a legitimate place in the country's economic system, and, since so great a part of our industrial development has been possible only by the assembling of financial capital through corporate organization, it has attained a position of indispensable importance in our national life. We must have a market place for corporate securities, just as we must have a market place for other commodities like wheat, cotton, corn, and cattle.

Nobody, I assume, would quarrel with the stock exchange in the pursuit of its legitimate objects. But when the exchange has stepped out of its rightful orbit and has become predominantly a gambling institution for the so-called rulers of the exchange of mankind's goods—well, my friends, that is something else.

We cannot forget that in the decade that gave the Nation Harding, Coolidge, and Hoover, there occurred such a concentration of the financial resources of the country in New York for speculative purposes that the economic world stood aghast. Washington knew about it. The warning signals were numerous. But Washington did nothing; the hands of the Government were palsied. The flow of money, the Nation's lifeblood, into Wall Street increased in volume with each passing day. At the height of the debauch more than \$9,000,000,000 of other people's funds had been drawn away from the nooks and corners of the country and loaned, through brokers, to the mad plungers in the seething waters of the stock market. Little wonder that the channels of business were drained.

Farm values were the first to collapse, and by 1929 there was not a single business or individual in our entire Nation that had escaped the blighting effects of the cataclysmic orgy. Surely our country in that period reached the lowest spiritual levels of its national existence. Then, not afterward and not now, was the germinating period for dictators. For dictators, history tells, have always come from discontent, as revolutions have always come from hunger and oppression.

The stock exchange, then, as we have been shown, is more or less a necessity in our capitalistic system; but wrongly used, it becomes an instrument for evil with possibilities as devastating and merciless with respect to human welfare as could be any hostile army manned to the limit and equipped with all the modern devices of death and property destruction which have been contrived by science and the ingenuity of man.

And so it came about that as Franklin D. Roosevelt entered the White House he had already determined that, if it were in his power to prevent, there should never again be such a gambling orgy as that which the people were forced helplessly to witness in the weeks and months preceding the financial collapse of 1929. Accordingly, the stock market today is regulated by competent Federal laws. The issuance of securities is under statutory supervision and guidance, and there are safeguarding laws describing the course and limiting the actions of private corporate bodies. But do these laws go far enough to relieve the apple of all its rotteness. Let us see.

We have the word of many of the renowned economists of the United States that this is a "strange depression." It is strange in the sense that its underlying causes are not apparent or discoverable to the economic mind. It does not follow precedent; it is not consistent with well-known facts, and its foundations are weak and vague. The economists are aware that a year ago the country was in a good mood. The people were happy in the thought that the Hoover depression at last was wearing away, and that on the horizon a light was breaking which betokened the arrival of newer and better living conditions for the masses than they had ever known before.

Prosperity was lurking around no precarious corner a year ago. Prosperity was present, mingling with the common people. The benign influence of prosperity was manifest everywhere in the land. People were smiling again—no; not all the people were smiling. Forsooth, there were some, a small minority, a handful of Roosevelt haters, Old Guards, the adherence of an old order, whose faces were grim and viciously determined. They were the nonreformists, and they had set themselves to the task of destroying something which was good and productive of happiness, while they were without the will or the capacity to substitute anything

of a compensatory value for that which they were taking away.

The stock market is something of a business barometer. It has been so regarded for many years by certain elements of the country's citizenship that indulge in the game which is called "playing the market." The market, by its fluctuations, its ups and downs, and by its varying totals of daily sales, is supposed to indicate or predict the condition of business throughout the country. It is not an unfailing barometer by any means. Yet it has become a kind of legend, and its barometric readings are often accepted in better faith than they deserve by many business people.

There would seem to be a definite absurdity about accepting as an accurate barometer any instrument the use of which is depending on the human equation. Everybody knows the stock market can be and has been manipulated by those who are close enough to it to be familiar with its workings and who are equipped with financial resources necessary to carry an operation through to the desired conclusion. The big speculators of this class usually say that they only follow the trends of the market. But sometimes they make the trends themselves. About a year ago the New York Times, in an editorial, warned that the stock market might actually produce the conditions which at that time it, as a so-called barometer, was forecasting.

The professional speculators then were "selling the market short," which is to say they were selling something they did not own and did not have on the theory that after they had stifled the value out of the thing by what they were doing they could then buy it at the lower price and make delivery on the original sale. It is all very complicated, as you can see. Amateurs should beware.

But the thing easily understood by the laity is that in the stock market 12 months or so ago individuals and groups were selling the hard-won prosperity of the American people short. They were creating a false condition in the business barometer. They were deliberately pressing prices down to lower and lower levels. Because they hated Roosevelt, they were handing him and the rest of the country a manufactured depression.

That, Mr. Chairman, is the genesis of our country's economic troubles today. The financial Samsons, whose purses, filled with other people's money, are long, and whose conceptions of their manifest duty to humanity are lost in their own selfishness and short-sightedness, have pulled the temple down upon a hundred and thirty million people, themselves included.

And these, I would impress upon you, are the ones who want recovery if it can be obtained without reform. And they, too, are the ones who think the way to gain their ends is to destroy the President of the United States.

Mr. Chairman, in the constant struggle of the people of the United States to keep this a republic—a democracy—they have been blessed in emergencies and crises with leaders who were truly great. But has not this been the case in about all the history of mankind? Wherever we delve into the records of that which has gone before we find that most of what we are privileged to know of the past revolves around heroic figures. If there were no heroic figures, there assuredly would be very little history. It was of Aaron, the priest, in the time of Moses, more than 3,000 years ago, that it has been said:

And he stood between the dead and the living, and the plague was stayed.

We read the history of America, and we are intrigued by the names of Jefferson and Jackson. They were outstanding in the struggle for democracy and its perpetuation. The one was an idealist—a dreamer, if you please—but he was also a philosopher, a philosopher of democracy. The other was the blunt soldier who became, as it has been said, democracy's sword. I recall that a dozen years ago, at this place in the House of Representatives, it was my pleasure to say something in the manner of a review of the life of

Thomas Jefferson "in order to rekindle a desire for the perpetuity of the principles of our American Government."

Today I want to refer briefly, with the same thought in mind, to Andrew Jackson. My reasons for emphasizing Jackson in connection with remarks of the character I am now making must be apparent to all who are listening and all who will read. For as surely as we are permitted by the grace of Heaven to be here at this moment Jackson's problems of a hundred years ago, in all essential particulars, are Roosevelt's problems of today.

Jackson drove the privately owned Bank of the United States, the money monopoly of his day, out of existence. In another form, with multifarious ramifications, a money monopoly is at grips today with a President of the United States who, like Jackson, has chosen to take the side of the masses of the people in another of their titanic struggles against the power of concentrated wealth.

Probably no man in history ever suffered more denunciation than Jackson for his act of removing the Government deposits from the Bank of the United States. This was in 1833. The institution was commonly referred to as "Biddle's bank." Although incorporated under the State laws of Pennsylvania, it had grown many tentacles and had reached out in all directions for increased power, political as well as financial. Jackson looked upon it as liberty's greatest menace, and in the White House he determined to "smash" it. And he did so.

But the act brought a veritable tornado of criticism, abuse, and vilification down upon his head. Oh, there were propagandists in those days as well as now. Jackson was "a haranguer of mobs," "a miserable misfit," "a disgrace to the White House," his election "a triumph of the mob," and his administration "a millennium of the minnows."

Misled, as we now know, by the hue and cry of the propagandists, the Senate of the United States, containing a majority of his own party, actually adopted a resolution censuring Jackson for his so-called highhandedness and usurpation of power. Yet Jackson was amply vindicated for all that he did by the unprecedented balloting of the electorate in a half dozen subsequent contests.

Thomas Hart Benton, that superb statesman of the Jackson era, then a Senator from my own State of Missouri, in his speech urging that the censure resolution be expunged from the records of Congress, declared:

No ordinary President would have staked himself against the Bank of the United States and the two Houses of Congress in 1832. It required President Jackson to confront that power—to stem that torrent—to stay the progress of that charter and refer it to the people for their decision.

How alike are the two situations—a hundred years ago and today. Identically the same objects are involved. The implements of war are only slightly changed. Then as now, an aristocracy of wealth in the hands of the few trying to subjugate the masses—the royal economists affecting a superiority, a dictatorship, over the common people in the matter of their joint government—the surest way on earth to kill a democracy. Had Jackson failed in his efforts to stay the progress of the bank's charter, the charter would have become law, and, as Benton declared, "its repeal impossible." But when the people got their chance to express themselves, they arrested the charter forever. Otherwise, Benton said:

The people of the whole Union would now have been in the condition of the people of Pennsylvania—bestrode by a monster, in daily conflict with him, and maintaining a doubtful contest for supremacy between the government of a State and the directory of a moneyed corporation. * * * But how—

I am still quoting Benton's speech—

how can we pass over the great measure of the removal of the public moneys from the Bank of the United States in the autumn of 1833—the wise, heroic, and masterly measure of prevention which has rescued an empire from the fangs of a merciless, revengeful, greedy, insatiate, implacable moneyed power?

Jackson's efforts, backed by an overwhelming public sentiment, finally subdued and eliminated the Biddle institution

as a dictator of the Nation's fiscal policies. But Benton continued his warning. Big business, he declared, in effect, had only taken a position of watching events and profiting by them. He said:

The royal tiger has gone into the jungle, and, crouched on his belly, he awaits the favorable moment for emerging from his cover and springing on the body of the unsuspecting traveler.

Mr. Chairman, it has been said so many times in fact and fiction that history repeats itself that the expression may be thought trite and commonplace. But in this instance it is a great truth. The parallel as between Jackson's experience and Roosevelt's experience is almost miraculous in its exactness. Jackson in the emergency proved himself a leader whose every move seemed to be guided by the hand of Providence. He saved democracy for America. Roosevelt will do no less.

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, I realize that the hour is late and if I can possibly get through in less than 5 minutes, which I doubt, I will.

I wish to give the members of the Committee at this time, as an old country doctor used to say years ago, a shotgun prescription; in other words if one pellet did not hit the patient to advantage he hoped the other might. The three loads in this present shell, or prescription, so to speak, are, first, the question of the Thomas Jefferson memorial—this in 5 minutes or less, Mr. Chairman, and then two other matters.

Referring a moment to the Thomas Jefferson memorial, with all due respect to the gentleman who just spoke, and I realize his sincere interest in the particular type of memorial he has been favoring, it seems to me that instead of building just any edifice of brick, stone, or marble here, we could better build a memorial to Thomas Jefferson in some way that would be of more service to the people.

I respectfully and humbly offer the suggestion that we build a planetarium in Washington to honor Thomas Jefferson. What could be more fitting to that man who wrote his own epitaph, and in so writing, wrote among its lines that he was the founder of the University of Virginia, than the erection to his memory of a planetarium, because, as long as men endure, their interest in the stars and their courses will remain? I respectfully suggest that we erect to the memory of Thomas Jefferson a national planetarium here, that the people may visit to their advantage, for their education and pleasure when they come to Washington, rather than that we build simply another pile of brick, stone, or marble.

The second item in the prescription which I am offering has reference to the Camp Springs Airport that has been very much discussed recently. I am still open-minded on the matter, although, as a member of the Naval Affairs Committee, I heard the subject discussed for a whole morning and the committee unanimously decided against the Camp Springs Airport, because the overwhelming testimony was to the effect it would interfere with the Navy radio station nearby as far as receiving and sending is concerned. This is an important station on which the Navy has spent about \$150,000, we are informed. Secondly, also the physical location of aerial masts, and so forth, might be dangerous to nearby aviation.

May I say to the members of the Committee that when the hearing was over, and I went out into the hall, a certain gentleman, a governmental official whom I have met once or twice socially, and I have not seen him for over a year, came to me and was very angry. He said, "So you members of the committee have let the Navy Department put it over on you again." I said, "What is your interest in the matter?" He said, "I have an option on the land."

I just want to caution the Members of the House that if we pass this Camp Springs Airport proposition, let us not do something whereby somebody will get a nefarious gain thereby.

Mr. Chairman, the third item of the shotgun prescription, which I hope may affect some of the patients to advantage, is this: I am very sorry, as a member of the Naval Affairs Committee, that the committee in charge of this bill has not seen fit to include in the bill an appropriation to start work on a dirigible.

The Naval Affairs Committee considered this matter of dirigibles painstakingly for a great length of time and overwhelmingly agreed to recommend to the House the building of this \$3,000,000 dirigible as a training ship. The House passed the bill including this item, but it was stricken out in the Senate. I wish I had the time to tell the Members of the House some facts concerning dirigibles because it so happens I have given some study to this matter. You pick up a paper and read of the crack-up of an airplane that may cost upward of a million dollars, yet you do not stop building airplanes. Of course, it is most unfortunate that there was a loss of men in the past because of dirigible accidents, too. But why stop building dirigibles because of these lamentable milestones along the pathway of human progress?

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield the gentleman one additional minute.

Mr. PHILLIPS. Mr. Chairman, after all, we have only cracked up three dirigibles of our own and one the Germans made for us. In the whole commercial history of lighter-than-air aviation, going back in Germany years before the Great War, there have been only 13 deaths resulting from crashes of dirigibles and these were caused when that great German dirigible burned up in New Jersey some time ago.

I wonder if the gentlemen of the Committee realize the number of Zeppelins the Germans had in the Battle of Jutland? They had 10 Zeppelins in the Battle of Jutland and, according to competent testimony both from the German and British sides, the German fleet was saved to the Germans because of that fact and the naval observation these dirigibles afforded.

Mr. Chairman, I hope the committee will accept an amendment which I will offer tomorrow at the proper time, appropriating money to build one training all-American designed and constructed airship as recommended by the Naval Affairs Committee.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. Mr. Chairman, the Thomas Jefferson Memorial Commission, each and every member and their honored chairman, is justly deserving of the praise and gratitude of the 130,000,000 people whom we have the honor to represent. They have labored long, well, and patriotically. They have striven to cooperate with every interested person and agency motivated by the same high purpose which has dominated them.

Nor should we fail to appreciate the same character of service which has been rendered by the Fine Arts Commission and the Park and Planning Board. There is glory enough here for all.

We honor ourselves when we seek to honor Jefferson. In sincerity, however, we may well ask if any memorial can add to his honors? If it ever will become necessary to refresh our memory of the facts which his achievements have set like mountains on the horizon of history? If our appreciation will ever become so dulled as to require reminder of the grandeur of his thought?

Though the mind of Thomas Jefferson was matchless in its mastery of so many of the arts and sciences, and while its product has illuminated, enriched, and blessed every subject of its touch, yet, in all he did and said and wrote, his major emphases were three: Freedom of thought, speech, press, religion, and government; representative democratic government, of checks and balances, of laws and not of men; and education of the masses, which he held to be the sine qua non

for the maintenance of the other two. This was the great triumvirate of his ideology. These were his grand passions.

What kind of a memorial, then, should we erect to this man, who preferred to be remembered as the author of the Declaration of American Independence, of the statute of Virginia for religious freedom, and father of the University of Virginia rather than as President of the United States, or purchaser of the Louisiana Territory?

The cooperative spirit which the Commission has evidenced always, and their patience, accommodation, and perseverance, embolden one to offer a suggestion, even at this late hour.

Jefferson's memorial should be one that shall typify, teach, and advance in a practical way the three great emphases of his thought. He loved them devotedly. He would gladly have died for their advancement. His heart was set upon perfecting and perpetuating our Government so that it might be ever an increasing blessing to its sovereign beneficiaries—the common people.

If we would warm and gladden his immortal soul, as he stands "among the shadows keeping watch above his own," let us create an academy for teaching and training the civil servants of our great Nation, both for home and foreign service. We have such academies for Mars, why not one for Jupiter? We educate our picked youth for war, why not others, of the same high type, for peace and the service of our people, yea, all humanity, through better government?

Let us combine two great ideas—the Thomas Jefferson Memorial with the academy envisioned by our colleague, WESLEY DISNEY, and described in his bill.

Let us crown one of Virginia's hills nearby with the campus and buildings of the United States Civil Service Academy, following Jefferson's plan as exemplified at Charlottesville. At the central place in this more spacious architectural child of Jefferson's ideal campus—possibly where the rotunda there stands—build the memorial agreed on by the Commission.

In such a combination of the two ideas would be wrought the perfect memorial to our greatest hero of the battlefield of thought.

What more fitting than a living institution of higher learning, dedicated to the perpetual service of the Nation and to him who was and is our chief exponent of the truth that education is prerequisite if our democracy is to endure?

Mr. LUDLOW. Mr. Chairman, I yield to the gentleman from Alaska [Mr. DIMOND] such time as he may desire.

Mr. DIMOND. Mr. Chairman, the people of Alaska will rejoice today when they learn of the provision of the bill now under consideration which authorizes the establishment of an air-mail service between Seattle, Wash., and Juneau, Alaska. This service is one for which Alaskans have ardently hoped for many years and the need of it has been felt increasingly with each passing year.

It is only recently that the air-mail service between Juneau, Alaska, Whitehorse, Yukon Territory, Canada, and Fairbanks, Alaska, has been put into operation, the first trip having been made on May 3, 1933. That service is of outstanding value to the people of Alaska, and yet until connection is made with the air-mail system of the States, the full benefit of the internal air-mail service in Alaska cannot be realized.

When on May 3 the Juneau-Whitehorse-Fairbanks service was set up the President sent to Hon. John W. Troy, Governor of Alaska, the following telegram:

Heartly congratulations to you and the people of Alaska upon inauguration of air mail between Juneau, Whitehorse, and Fairbanks. This service is an added testimonial of the closeness of the national interest in Alaska and I hope marks an important step toward establishment of direct air mail between the continental United States and Alaska, thus removing another barrier of distance between us. We in Washington welcome every development which brings Alaska closer to us.

It will be noted, Mr. Chairman, that in this telegram the President forecast the connecting service between Juneau and the States and, therefore, we were not surprised when

the President transmitted to the Speaker of the House of Representatives an estimate of the Post Office Department, approved by the Bureau of the Budget, for the authorization now carried in this bill.

The members of the appropriations subcommittee which considered the bill will recall that I appeared before the committee in support of the Seattle-Juneau air-mail request, and that in urging the appropriation there also appeared before the subcommittee, Hon. NAN WOOD HONEYMAN and Hon. WALTER M. PIERCE, of Oregon; Hon. JOHN M. COFFEE, Hon. MONRAD C. WALLGREN, Hon. MARTIN F. SMITH, and Hon. WARREN G. MAGNUSON, of Washington. Hon. JAMES W. MOTT, of Oregon, also a strong supporter of air mail for Alaska, was unable to be present by reason of official duty on the floor of the House.

Air mail from the States to Alaska and an extension of air mail within Alaska is amply justified by the value of Alaska to the United States. It is not necessary here to reiterate what I have said many times of the actual wealth produced in the Territory of Alaska since 1867, most of which has gone to the enrichment of the people residing in the States, and the vastly greater reserves of wealth in the fisheries, in the forests, in the mines, and in the farm lands which still remain in the Territory. Many of these reserves like the forests and the fisheries, if properly conserved, will be self-perpetuating and will last indefinitely. Others, like the mineral resources are exhaustible, but they are so large as to give guaranty of production for many years to come.

Alaska now offers to the people of the United States the same advantages which were presented in the middle of the last century by the plains, and the forests, and the mines, and the fisheries of the West, which was then as much of a wilderness as Alaska is now.

Those of you who are familiar with frontier conditions will realize that in the beginning the outstanding problem is one of transportation. When the early pioneers of any frontier country finally secured means of transportation, in former days by roads or railroads, they felt that their problems of living were more than half solved. In our day the airplane offers us a means of transportation which to a modified extent takes the place of the ground transport which our forefathers knew. Of course, no one will pretend that air transport will do the entire job in Alaska or in any other undeveloped region. But air transport will give us speedily a facility of movement which cannot possibly be obtained in any other way except through the expenditure of vastly larger sums of money.

With the setting up of the service now authorized between Seattle, Wash., and Juneau, Alaska, it will be possible to leave the city of Washington in the District of Columbia in the late afternoon, arriving in Seattle in the late forenoon of the next day, reaching Juneau for an early dinner that evening and Fairbanks long before midnight. With this service inaugurated, my home at Valdez, Alaska, is within 36 hours' traveling time of Washington.

Facilities for transportation mean much to every people. Commerce and business are thereby promoted. Destroy all facilities of transportation, and the existence of civilized society becomes difficult if not impossible. There is scarcely a place in the world where this particular form of transportation, that which goes through the air, is more aptly suited to the needs and requirements of the people than Alaska. For in Alaska we do not yet possess a covering system of motor roads which enable transport to go forward on the ground. Roads must come later but the growth of the road system will not proceed as fast as that of the air transport system.

In speaking of roads I trust the Members of this body will not forget that one of the things now needed in Alaska is highway connection with the United States. That, I hope, will be accomplished before long, but in the meantime we shall at least proceed, under the authorization contained in the bill

now before us, with the extension of another transport system between Alaska and the United States through the air.

Our experience in carrying mail in Alaska over star routes, which is not technically an air-mail service, indicates that after the pioneering work is done the costs of transportation are greatly reduced. On several of the important star routes of Alaska, where mail is carried by air, I have noted that the contracts recently let for the 4-year period commencing July 1, 1938, are in some cases as much as 50 percent below the contract figures for the 4-year period which will end on July 1, 1938, so there is no reason to apprehend that the cost of air-mail service between the States and Alaska, and within the Territory of Alaska, will, in the long run, be at all disproportionate to the benefits received by the residents of the States and of Alaska.

With air mail in operation between the States and Fairbanks, Alaska, the next natural and logical steps will be the further extension of Air Mail Service within Alaska, a service once approved by the Bureau of the Budget, down the Yukon Valley and thence to Nome on Bering Sea, to the Lower Kuskokwim Valley as far as Bethel, and to the cities of Cordova, Valdez, Seward, and Anchorage on the southern coast of the main body of Alaska. It is likely, Mr. Chairman, that before many years elapse the air mail for Alaska, north of Juneau, will be carried along the coast of Alaska to Cordova, Valdez, Seward, and Anchorage and thence to Fairbanks. I confidently expect that development at an early date.

Like other residents of Alaska, I am deeply sensible of the sympathetic understanding of the members of the committee which led them to incorporate in the bill the authorization for the air-mail connection between Seattle and Juneau. And in considering the whole problem of air mail for Alaska my mind reverts in grateful appreciation to Hon. Harlee Branch, the Second Assistant Postmaster General, who visited Alaska in 1934, and whose vision and energy have made possible the development in air transport for the Territory which is now taking place.

Mr. LUDLOW. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read down to and including line 2, page 2.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and Mr. GREEVER, having taken the chair as Speaker pro tempore, Mr. McREYNOLDS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 10851) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1938, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1938, and June 30, 1939, and for other purposes, had come to no resolution thereon.

HAFFENREFFER & CO., INC.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5743) for the relief of Haffenreffer & Co., Inc., with Senate amendments thereto, disagree to the Senate amendments, and request a conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection; and the Chair appointed the following conferees: Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, and Mr. CARLSON.

MARTIN BRIDGES

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1872) for the relief of Martin Bridges, with a Senate

amendment, disagree to the Senate amendment, and ask a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland? [After a pause.] The Chair hears none, and, without objection, appoints the following conferees: Mr. KENNEDY of Maryland, Mr. COFFEE of Washington, and Mr. CARLSON.

There was no objection.

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to insert in the RECORD, immediately following my remarks this afternoon on the oil situation, a copy of a resolution I have introduced.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a poem commemorating the Battle of Gettysburg.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

WATER POLLUTION CONTROL

Mr. DEROUEN submitted a conference report and statement on the bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes.

EXTENSION OF CLASSIFIED CIVIL SERVICE TO POSTMASTERS OF FIRST, SECOND, AND THIRD CLASSES

Mr. RAMSPECK presented a conference report and statement on the bill (H. R. 1531) extending the classified civil service to include postmasters of the first, second, and third classes, and for other purposes.

EXTENSION OF REMARKS

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address by Col. O. R. McGuire, counsel to the Comptroller General of the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. CONNERY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein certain correspondence I have had with the Federal Communications Commission and certain extracts from statements by John T. Flynn in the Washington Daily News.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in Committee of the Whole and to include therein a short telegram and one or two brief extracts.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

CIVIL AERONAUTICS AUTHORITY

Mr. MARTIN of Colorado. Mr. Speaker, at the request of the chairman of the Committee on Interstate and Foreign Commerce, the gentleman from California [Mr. LEA], I present a conference report and statement on the bill (S. 3845) to create a Civil Aeronautics Authority, and to promote the development and safety and to provide for the regulation of civil aeronautics.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by myself in my home town at my alma mater.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered by the Chairman of the National Bituminous Coal Commission.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to include in my remarks made this afternoon a part of a syllabus on foreign trade, a letter from a friend in Milwaukee, and also a letter from the Director of the Bureau of Foreign and Domestic Commerce, Mr. Dye.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to include in my remarks made this afternoon a copy of a letter written by Mr. Joseph Tumulty on the subject of the gentleman from New York [Mr. BOYLAN].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a protest signed by 71 Congressmen against the present dairy policy.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and include therein a letter from the President and a reply from the State Department on the protest.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I have had the reply of the State Department to the letter from the President mentioned by the gentleman from New York [Mr. CULKIN] investigated at the Printing Office, and am informed that the reply is longer than is allowed under the rule and that an extra cost of \$234 will be involved. I ask unanimous consent, Mr. Speaker, that the reply may be printed in the RECORD regardless of the amount involved.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a discussion on the condition of the dairymen by Mr. Charles Holman, one of the distinguished dairy economists of the United States.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that on Friday next, at the conclusion of the legislative program of the day and following any special orders heretofore made, I may be permitted to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a. m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTOMATIC VOTING MACHINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. HILL] is recognized for 15 minutes.

Mr. HILL. Mr. Speaker, on May 25 I introduced H. R. 10756 which provides for the installation of an automatic machine for recording and counting votes in the House of Representatives. It is brief and simple and reads as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated for expenditure under the direction of the Architect of the Capitol such sums as may be necessary to procure and install in the Hall of the House of Representatives a machine or device for recording and counting votes in the House of Representatives.

I fully realize that with the adjournment of the session a matter of only a few days it will be impossible to have a hearing on this resolution or to bring it to the floor of the House for consideration, discussion, and enactment. Because of its importance, however, I want to call it to the attention of my colleagues giving a brief history of similar proposed legislation, with reference to prominent members who in the past supported it, and a few arguments in favor of such a resolution.

Some 3 decades ago a very able and distinguished Member of the House, Mr. Garrett, of Tennessee, introduced a resolution for an automatic voting machine. In 1914, Mr. Walsh, of New Jersey, introduced House Resolution 513 during the Sixty-third Congress along the same line and hearings were held before the Committee on Accounts on July 31 of that year with Congressman Lloyd as chairman. These hearings are available at the Congressional Library and show favorable testimony on the resolution. In the Sixty-fourth Congress, Congressman Howard, of Georgia, introduced House Resolution 223, and hearings (Rept. No. 940) were held. A majority of the Committee on Accounts, with Chairman Lloyd presiding, reported the bill out favorably. At the hearing May 15, 1916, such outstanding Congressmen as Speaker Champ Clark, of Missouri; Garner (later Speaker and now Vice President), of Texas; Lenroot and Stafford, of Wisconsin; as also our present colleague Reilly of Wisconsin, all supported the resolution in no uncertain language. I would especially call your attention to the unequivocal support of Vice President Garner, as recorded on page 17 of those hearings. The arguments there advanced are as applicable today as they were then.

STATEMENT OF HON. JOHN N. GARNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. GARNER. Mr. Chairman, at your suggestion I came by this morning to give the committee my views as to the wisdom of adopting this system—

The CHAIRMAN (interposing). Or a system?

Mr. GARNER. Yes; a system similar to this; something that will facilitate the calling of the roll. I believe this is the system which has been on exhibition in the Ways and Means Committee room for some time. I have gone there once or twice and had this gentleman, I think, explain its workings to me. I do not know whether this is the best system or not, but I do want to speak just a word in behalf of some system that will facilitate getting record votes in the House. Two policies, I think, should be paramount in adopting any rules of the House of Representatives, or any method by which to accomplish those two policies. One is the facilitation of business and the other is giving the minority an opportunity to be heard and to put the majority on record whenever it is desired. Those two propositions, it occurs to me, almost solve the problem of legislation, and this system helps in both directions. I would not advocate this or any other device to facilitate the transaction of business in the House if it took away from the minority any right whatever that it now has. But this device will not take away from the minority either an opportunity to be heard or an opportunity to secure a record vote. As a matter of fact, it will add to the opportunity of the minority to secure a record vote on many things on which they cannot now secure such a vote because it takes too much time.

Mr. MILLER. Does that mean that the rules might be changed so that we could get a record vote in the Committee of the Whole?

Mr. GARNER. That is a matter, of course, that will be worked out later on. It was not my intention to discuss that phase of it, but if such a scheme could be worked out I would be mighty glad to see it adopted, because I have been here long enough to see legislation put on bills in the Committee of the Whole that the majority of the House was not in favor of, but no record vote could be demanded. If you could get a record vote in the Committee of the Whole, you would add one more feature that would be anything but detrimental and you would accomplish something that is now detrimental in the consideration of measures in the Committee of the Whole, to wit, keeping a quorum.

Mr. PARK. Did I understand you to say you would take out the bells?

Mr. GARNER. Yes; I would not give the Members an opportunity to know when a roll was going to be called.

Mr. PARK. I am not in favor of that.

Mr. GARNER. I know you are not, but I am. I am in favor of some method which will keep Members on the floor of the House of Representatives, and if those bells were taken out the opportunity to know when there was a roll call would be taken away and the Members would be compelled to stay there.

Mr. EDWARDS. As a matter of fact, you could keep the bells in, could you not?

Mr. GARNER. Oh, yes; but I do not want to discuss that feature of it. I want to call attention of the committee to the advantage of facilitating roll calls in the House, both to the majority and to the minority, and I do not want to discuss the matter from any other standpoint. I have mentioned these other matters because some of the gentlemen have suggested them. It may be said that such a system would operate against the rights of the minority, but I do not think that is so. The object of the majority is to facilitate the passage of bills and see to the carrying out of its program. The object of the minority is to criticize, if it deems proper, the majority's program, and to get record votes on such measures as it deems advisable. It occurs to me that this is advantageous to the majority in carrying out its program and it is advantageous to the minority in getting a larger number of record votes on any proposition it desires. I believe it is good both for the minority and for the majority to adopt some system similar to this.

Mr. MILLER. You say it would keep people on the floor more than the present system does?

Mr. GARNER. I do not mean that this particular system would; no.

Mr. MILLER. I mean, suppose a large number of the Members were on the floor, would it not be difficult to keep order? Would not pandemonium reign as it does many times under the present system?

Mr. GARNER. Probably; but this would not necessarily make any change with reference to staying on the floor of the House, because even with this system the bells would ring and Members would be given an opportunity to come to the House from the Office Building the same as now.

Mr. KONOP. The Members would be allowed a certain length of time to get to the House?

Mr. GARNER. Yes, sir. It could be tested in order to ascertain how long it should take for the Members to come from the Office Building to answer a roll call. This system is to facilitate the transaction of business on the floor of the House, and would in no degree, as I see it, take away from the minority its two paramount purposes, to wit, the criticism of the majority and putting them on record with reference to certain measures.

Mr. KONOP. Do you think it would be a violation of the Constitution to adopt this plan?

Mr. GARNER. I had not thought about that phase of it, but I do not see just how it could.

Mr. KONOP. Where the Constitution provides for a yea-and-nay vote—

Mr. GARNER (interposing). That would be registered.

Mr. KONOP (continuing). It is contemplated that the name of each Member shall be called and that each Member shall answer "yea" or "nay."

Mr. GARNER. I can hardly think that would be the construction by the Supreme Court. I imagine the Supreme Court would consider the result, and if the Journal showed it was a yea-and-nay vote, that there were so many yeas and so many nays, that the Supreme Court would not go back of those votes to ascertain whether the Members voted by answering to their names or by registering through a device of this kind. I hardly think the Supreme Court would go back of the Journal to ascertain just whether a man's voice registered his vote or whether his thumb registered his vote. I had not thought about that phase of it.

Mr. KONOP. I do not think so either, and I just asked that question to get your opinion about it.

Mr. GARNER. I think that is about all I wish to say. I came by this morning at the suggestion of Mr. Lloyd to say what has occurred to my mind as the advantage of this system in facilitating business on the part of the majority and giving the minority equal opportunity to be heard and a greater opportunity to put the majority on record more often on important measures.

The CHAIRMAN. Mr. GARRETT has given this proposition a great deal of attention and I am anxious that he shall be heard.

I may say, parenthetically, that Mr. Garner's contention as to the constitutionality of such legislation has been upheld by the Supreme Court of the State of Nebraska.

Automatic voting machines have been installed in the following 10 States: California, Florida, Iowa, Louisiana, Nebraska, Michigan, Minnesota, Virginia, West Virginia, and Wisconsin with complete success and satisfaction as far as I can ascertain. In Wisconsin, which I believe was the first State to install the machine—1916—it has given universal satisfaction. In Nebraska where it was installed in 1933 it has practically the unanimous support of the 1935 legislators with only one dissenting voice. I here insert a few excerpts from letters received by Congressman CHARLES G. BINDERUP of that State in March 1935 in reply to an inquiry as to what opinion the Members had regarding the matter. "The proof of the pudding is the eating thereof." Listen to these Nebraska legislators whose names as well as that of the others are available at Congressman BINDERUP's office:

There are absolutely no drawbacks to the electric voting machine. It is O. K. in every respect. (Hon. Cloyd L. Stewart.)

An electric vote-recording machine is an absolute solution of confusion during a roll call. The accuracy of the machine is 100 percent, and any statement to the contrary as to the performance in Nebraska's House Chamber is erroneous, as during my service there in 1933, when the machine was installed, we had a most pleasant experience in using the unit. (Hon. Frank J. Kloppe.)

Having seen a roll call in the House of Representatives, you should by all means install an electric voting device. (Hon. Sam Howell.)

I will say that I am convinced that this machine saves 75 percent of the time necessitated under the old system of roll call. All members of both house and senate are satisfied with the work as performed and we certainly would object strenuously going back to the old system.

The cost to the State was approximately \$40,000. I feel that the saving of time fully justifies this expenditure. The points favorable to this subject are as follows:

1. Eliminates confusion.
2. Saves 75 percent of the time necessary to roll call under the present system.
3. Is absolutely correct.
4. Would save Congress \$4,000 per roll call.

I am convinced that you would make no mistakes by sponsoring the proposition. (Hon. Frank S. Wells.)

I would say that with what experience I have had in serving in the senate both with and without the use of the electric voting machine, that the machine is a 100-percent improvement over the old system. The votes are taken instantly and are very accurate and reliably recorded. I also consider it a very valuable time saver. I have noted no drawbacks in the use of this machine. (Hon. H. L. Kunkel.)

There are very many advantages in the use of this machine and so far as I have noticed, there are no disadvantages whatever. A vote can be taken on the machine in a very short time and, in fact, if the Members voted promptly a complete vote can be taken within a few seconds and a permanent record made of the results. It saves much time and confusion and the saving in time alone would pay the cost of the machine within a short period. I am surprised that such a system has not been installed in Congress before this time. (Hon. J. F. Ratcliff.)

I may say that during one of the terms I served in the State legislature at Olympia, Wash., we had a voting machine on trial in the House, and it was acceptable in every way, but an autocratic Governor opposed its installation and his subservient majority obeyed his commands.

The initial cost of a voting machine for the House may seem somewhat high, being estimated in 1916 at \$125,000, but the same testimony estimated a saving of \$4,000 on each roll call and an annual saving of \$50,000 on heat, light, and so forth.

There are very many arguments in support of this legislation. I have time for only a few of them. Having made progress in science, invention, and discovery, we should also modernize our legislative machinery. Arthur Brisbane too truly said:

Millions of men are born, grow up, and die leaving undone many things they might have done because of the controlling influence of custom and habit. The same old thing is done in the same old way, and millions upon millions of human beings live and die, all of them believing that that is the only way to do it.

The Honorable Champ Clark said with reference to this very subject:

If some means could be devised to expedite calling the roll in the House of Representatives by some electrical or mechanical system, it would be a wonderful saving in time, and consequently a wonderful saving in money.

President Harding, along the same subject, said:

The fact that a thing has existed for a decade or a century—that things have been done in a certain way for a generation—must not be accepted as proving that it ought to continue that way.

The voting machine will save time. It was shown in the hearing that during the Sixty-second Congress alone time equal to 55 legislative days was wasted in roll calls. That time could better be used in studying, considering, and discussing legislation. It will prevent the usual confusion at the close of the second roll call when late Members crowd into the well of the House to be recognized and recorded. It will be an accurate record of each Member's vote, as he alone will control the button which registers his vote, and if a mistake is made in pressing the wrong button he can change it before the machine is locked. It will tend to less confusion and more attention on the part of the Members. They will be intent on how to cast their personal votes rather than conversing during the lengthy roll call. It will compel Members to spend more of their time on the floor of the House during debate so as to know the provisions of pending legislation instead of being coached by interested colleagues as to the "right way to vote." It will shorten daily sessions so that more time can be given to departmental calls and the ever-increasing correspondence. It will shorten the sessions of the Congress and permit Members to spend more time contacting their constituents and ascertaining their wishes and opinions on current legislation.

In conclusion, I desire to say that I have the highest regard for the two present reading clerks of the House. They have excellent voices that can, under favorable conditions, be heard all over the Chamber. They are invariably courteous and anxious to record each Member correctly and are unusually free from error under such a cumbersome system. This proposed legislation is introduced solely for the purpose of expediting the business of the House, making the task of presiding over this body somewhat less arduous for our beloved Speaker and modernizing this House of Representatives as a truly deliberative and respected legislative forum.

Mr. MARTIN of Colorado. Mr. Speaker, will the gentleman yield?

Mr. HILL. Yes.

Mr. MARTIN of Colorado. May I ask the gentleman how much time is going to be allowed a Member to get over to the Chamber from the House Office Building or from a committee meeting?

Mr. HILL. That, of course, is a matter that can be decided by the House, under the rule. I think 10 minutes will be given to come from the House Office Building over here; that is, 10 minutes between the time they start taking the vote and the time of recording the vote.

Mr. FLETCHER. How much will this cost?

Mr. HILL. The estimated cost in 1916 was \$125,000, but it will save \$4,000 on each roll call and \$50,000 a year in heat, lighting, and so forth.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order on tomorrow, Calendar Wednesday, may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of

the following titles, which were thereupon signed by the Speaker:

H. R. 9996. An act to authorize the registration of certain collective trade-marks;

H. R. 10291. An act making appropriations for the fiscal year ending June 30, 1939, for civil functions administered by the War Department, and for other purposes; and

H. J. Res. 667. Joint resolution to authorize an appropriation to aid in defraying the expenses of the observance of the seventy-fifth anniversary of the battles of Chickamauga, Ga.; Lookout Mountain, Tenn., and Missionary Ridge, Tenn.; and commemorate the one hundredth anniversary of the removal from Tennessee of the Cherokee Indians, at Chattanooga, Tenn., and at Chickamauga, Ga., from September 18 to 24, 1938, inclusive; and for other purposes.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p. m.), in accordance with its previous order, the House adjourned until tomorrow, Wednesday, June 8, 1938, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of a subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Wednesday, June 8, 1938, on H. R. 10726, relating to the Omaha-Council Bluffs Bridge over the Missouri River.

COMMITTEE ON NAVAL AFFAIRS

There will be a full open hearing before the Committee on Naval Affairs at 10 a. m. Wednesday, June 8, 1938, on S. 1131, a bill affecting the oil-shale reserves.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, June 8, 1938, in room 445, House Office Building, for the consideration of unfinished business before the committee.

COMMITTEE ON PENSIONS

The Committee on Pensions will hold a hearing at 10 a. m. Wednesday, June 8, 1938, on H. R. 8948, a bill to liberalize the laws providing pensions for veterans and the dependents of veterans of the Regular Establishment for disabilities or deaths incurred or aggravated in line of duty other than in wartime.

EXECUTIVE COMMUNICATIONS, ETC.

1419. Under clause 2 of rule XXIV a letter from the Secretary of Commerce, transmitting the draft of a proposed bill making inapplicable certain reversionary provisions contained in the act of March 4, 1923 (42 Stat. 1450), and set out in a deed pursuant thereto by the Secretary of War, on behalf of the United States, to the mayor and City Council of the City of Baltimore, under date of February 23, 1927, was taken from the Speaker's table and referred to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WOODRUM: Committee on Appropriations. H. R. 10851. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1938, and for prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1938, and June 30, 1939, and for other purposes; with amendment (Rept. No. 2614). Referred to the Committee of the Whole House on the state of the Union.

Mr. WARREN: Committee on Accounts. House Resolution 515. Resolution authorizing an appropriation of not to exceed \$20,000 for the expenses of the select committee appointed under House Resolution 291; with amendment (Rept. No. 2615). Ordered to be printed.

Mr. CROWE: Committee on the Territories. H. R. 10835. A bill to authorize the county of Kauai to issue bonds of such county in the year 1938 under the authority of act 186 of the Session Laws of Hawaii, 1937, in excess of 1 percent of the assessed value of the property in said county as shown by the last assessment for taxation; without amendment (Rept. No. 2616). Referred to the House Calendar.

Mr. HEALEY: Committee on the Judiciary. H. R. 10694. A bill to provide for the care and treatment of juvenile delinquents; without amendment (Rept. No. 2617). Referred to the Committee of the Whole House on the state of the Union.

Mr. SUTPHIN: Committee on Naval Affairs. S. 2629. An act to authorize an exchange of lands between the city of San Diego, Calif., and the United States; with amendment (Rept. No. 2618). Referred to the Committee of the Whole House on the state of the Union.

Mr. GREEVER: Committee on Irrigation and Reclamation. H. R. 9524. A bill to authorize an appropriation for repayment to Middle Rio Grande Conservancy District, a subdivision of the State of New Mexico, of the share of the said district's construction and operation and maintenance costs applicable to certain properties owned by the United States, situated in Bernalillo County, N. Mex., within the exterior boundaries of the district; to authorize the Secretary of the Interior to contract with said district for future operation and maintenance charges against said lands; to authorize appropriation for extra construction work performed by said district for the special benefit of certain Pueblo Indian lands; and to authorize appropriation for construction expenditures benefiting certain acquired lands of Pueblo Indians of the State of New Mexico; with amendment (Rept. No. 2619). Referred to the Committee of the Whole House on the state of the Union.

Mrs. HONEYMAN: Committee on Irrigation and Reclamation. H. R. 10713. A bill providing that excess-land provisions of Federal reclamation laws shall not apply to certain lands that will receive a supplemental water supply from the Colorado-Big Thompson project; without amendment (Rept. No. 2620). Referred to the Committee of the Whole House on the state of the Union.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. S. 3597. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Natchez, Miss., and for other purposes; without amendment (Rept. No. 2621). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 3611. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River between the towns of Decatur, Nebr., and Onawa, Iowa; without amendment (Rept. No. 2622). Referred to the House Calendar.

Mr. WITHROW: Committee on Interstate and Foreign Commerce. S. 3867. An act authorizing the North Dakota State Highway Department and the Department of Highways of the State of Minnesota to construct, maintain, and operate a free highway bridge across the Red River; without amendment (Rept. No. 2623). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. S. 3892. An act creating the City of Dubuque Bridge Commission and authorizing said commission and its successors to purchase and/or construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Dubuque, Iowa, and East Dubuque, Ill.; without amendment (Rept. No. 2624). Referred to the House Calendar.

Mr. HOLMES: Committee on Interstate and Foreign Commerce. S. 3898. An act to extend the times for commencing and completing the construction of a bridge across the Piscataqua River at or near Portsmouth, N. H.; without amendment (Rept. No. 2625). Referred to the House Calendar.

Mr. O'CONNELL of Montana: Committee on Interstate and Foreign Commerce. S. 3907. An act to further extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Garrison, N. Dak.; without amendment (Rept. No. 2626). Referred to the House Calendar.

Mr. KELLY of Illinois: Committee on Interstate and Foreign Commerce. H. R. 10506. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River between St. Louis, Mo., and Stites, Ill.; with amendment (Rept. No. 2627). Referred to the House Calendar.

Mr. KELLY of Illinois: Committee on Interstate and Foreign Commerce. H. R. 10507. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near a point between Morgan and Wash Streets in the city of St. Louis, Mo., and a point opposite thereto in the city of East St. Louis, Ill.; with amendment (Rept. No. 2628). Referred to the House Calendar.

Mr. BOREN: Committee on Interstate and Foreign Commerce. H. R. 10539. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Miami, Mo.; with amendment (Rept. No. 2629). Referred to the House Calendar.

Mr. BOREN: Committee on Interstate and Foreign Commerce. H. R. 10540. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.; without amendment (Rept. No. 2630). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 10610. A bill granting the consent of Congress to the Iowa State Highway Commission to reconstruct or construct, maintain, and operate a free highway bridge across the Des Moines River, at or near Keosauqua, Iowa; with amendment (Rept. No. 2631). Referred to the House Calendar.

Mr. WITHROW: Committee on Interstate and Foreign Commerce. H. R. 10632. A bill authorizing the Port Authority of Duluth, Minn., and the Harbor Commission of Superior, Wis., to construct a highway bridge across the St. Louis River from Rice's Point in Duluth, Minn., to Superior in Wisconsin; without amendment (Rept. No. 2632). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 264. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; without amendment (Rept. No. 2636). Referred to the House Calendar.

Mr. PETTENGILL: Committee on Interstate and Foreign Commerce. H. R. 10670. A bill to extend the times for commencing and completing the construction of a bridge across the Wabash River at or near Merom, Sullivan County, Ind.; with amendment (Rept. No. 2637). Referred to the House Calendar.

Mr. WOLFENDEN: Committee on Interstate and Foreign Commerce. H. R. 10739. A bill granting the consent of Congress to the State of New Jersey and the Commonwealth of Pennsylvania to enter into compacts or agreements with respect to constructing, maintaining, and operating a vehicular tunnel under the Delaware River; with amendment (Rept. No. 2638). Referred to the House Calendar.

Mr. LEA: Committee on Interstate and Foreign Commerce. H. R. 10780. A bill to amend section 1 of an act entitled "An act granting the consent of Congress to the county of Pierce, a legal subdivision of the State of

Washington, to construct, maintain, and operate a toll bridge across Puget Sound, State of Washington, at or near a point commonly known as "The Narrows", and to extend the times for commencing and completing the construction of such bridge; without amendment (Rept. No. 2639). Referred to the House Calendar.

Mr. MALONEY: Committee on Interstate and Foreign Commerce. H. R. 10791. A bill creating the Louisiana-Vicksburg Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Mississippi River at or near Delta Point, La., and Vicksburg, Miss.; with amendment (Rept. No. 2640). Referred to the House Calendar.

Mr. EICHER: Committee on Interstate and Foreign Commerce. H. R. 10818. A bill to amend the act authorizing the construction of a bridge at South Sioux City, Nebr.; with amendment (Rept. No. 2641). Referred to the House Calendar.

Mr. CHAPMAN: Committee on Interstate and Foreign Commerce. S. 252. An act to exempt publicly owned interstate highway bridges from local taxation; without amendment (Rept. No. 2642). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. House Joint Resolution 711. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; without amendment (Rept. No. 2648). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. House Joint Resolution 712. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; without amendment (Rept. No. 2649). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 10785. A bill to amend the Perishable Agricultural Commodities Act, 1930, as amended; without amendment (Rept. No. 2650). Referred to the House Calendar.

Mr. COLE of Maryland: Committee on Interstate and Foreign Commerce. S. 3956. An act to adjust the compensation of the members of the National Advisory Health Council not in the regular employment of the Government; without amendment (Rept. No. 2651). Referred to the Committee of the Whole House on the state of the Union.

Mr. SWEENEY: Committee on the Post Office and Post Roads. H. R. 10590. A bill requiring 60 days' notice before discontinuance of any train carrying United States mail; with amendment (Rept. No. 2652). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. Senate Joint Resolution 164. Joint resolution to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928, as amended; without amendment (Rept. No. 2653). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. House Joint Resolution 705. Joint resolution to amend the Federal Crop Insurance Act; with amendment (Rept. No. 2654). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. House Joint Resolution 710. Joint resolution to prescribe the acreage allotments for wheat for 1939; without amendment (Rept. No. 2655). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DREW of Pennsylvania: Committee on Claims. H. R. 2646. A bill for the relief of Isabella Hooper Caraway and James Randolph Hooper; with amendment (Rept. No. 2643). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2797. An act for the relief of Miriam Thornber; with amendment (Rept. No. 2644). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 3470. An act for the relief of Lewis M. Foster; with amendment (Rept. 2645). Referred to the Committee of the Whole House.

Mr. SATTERFIELD: Committee on the Judiciary. H. R. 9171. A bill directing the Court of Claims to reopen certain cases and to correct the errors therein, if any, by additional judgments against the United States; with amendment (Rept. No. 2646). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 2948. An act for the relief of A. J. Moses; with amendment (Rept. No. 2647). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Naval Affairs was discharged from the consideration of the bill (H. R. 10794) for the relief of First Lt. Rosanna M. King, Army Nurse Corps, retired, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KEOGH: A bill (H. R. 10852) to assist and encourage the States in establishing fair labor standards, and for other purposes; to the Committee on Labor.

By Mr. BIERMANN. A bill (H. R. 10853) to provide for the improvement of the certified seed potatoes of the United States; to the Committee on Ways and Means.

By Mr. HOUSTON: A bill (H. R. 10854) to provide revenue and to increase employment of American workers; to the Committee on Ways and Means.

By Mr. MAAS: A bill (H. R. 10855) to extend the benefits of retirement for physical disability to all officers of the Army, Navy, Marine Corps, and Coast Guard incapacitated for active service during war as the result of an incident of the service, and for other purposes; to the Committee on Military Affairs.

By Mr. O'MALLEY: A bill (H. R. 10856) to amend title 25, section 247, of the Code of Laws of the United States of America, to empower the courts to remit or mitigate forfeitures; to the Committee on Indian Affairs.

By Mr. McREYNOLDS: A bill (H. R. 10857) to give effect to the international agreement between the United States and certain other countries for the regulation of whaling, signed at London, June 8, 1937; to the Committee on Foreign Affairs.

By Mr. DREW of Pennsylvania: Resolution (H. Res. 519) to provide for the appointment of a select committee to investigate the feasibility of establishing and maintaining a national highway between Jersey City, N. J., and Washington, in the District of Columbia; to the Committee on Rules.

Also, resolution (H. Res. 520) to provide for the expenses incurred by the select committee authorized by House resolution 519 of the Seventy-fifth Congress; to the Committee on Accounts.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 714) for the relief of certain aliens; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CULLEN: A bill (H. R. 10858) for the relief of Giovanni Caruso; to the Committee on Immigration and Naturalization.

By Mr. EDMISTON: A bill (H. R. 10859) granting an increase of pension to Robert Blake; to the Committee on Pensions.

By Mr. LUTHER A. JOHNSON: A bill (H. R. 10860) for the relief of Dr. H. R. Allmon; to the Committee on Claims.

By Mr. O'CONNOR of Montana: A bill (H. R. 10861) for the relief of George Francis Burke; to the Committee on Military Affairs.

By Mr. REECE of Tennessee: A bill (H. R. 10862) for the relief of Ben H. Owens; to the Committee on War Claims.

Also, a bill (H. R. 10863) for the relief of Bonnie R. Howard; to the Committee on War Claims.

By Mr. RUTHERFORD: A bill (H. R. 10864) granting an increase of pension to Mary M. Card; to the Committee on Invalid Pensions.

By Mr. SWOPE: A bill (H. R. 10865) for the relief of the Commonwealth of Pennsylvania; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5308. By Mr. BLOOM: Petition of members of locals of the United Federal Workers of America in New York, endorsing the Federal workers appeals bill (H. R. 8428), the Federal Workweek Act (H. R. 8431), the Federal Workers Minimum Wage Act (H. R. 9158), and the Federal Workers Overtime Act (H. R. 9157); to the Committee on the Civil Service.

5309. By Mr. FLAHERTY: Petition of the Federation of State, City, and Town Employees, Inc., expressing their views relative to the merit system of the civil-service structure; to the Committee on the Civil Service.

5310. Also, petition of the P. J. W. Moodie Corporation, urging favorable action on House bill 10262; to the Committee on the Public Lands.

5311. By Mr. HARLAN: Petition of 64 citizens of Dayton, Ohio, requesting Congress to require the Works Progress Administration to let out all work by contract; to the Committee on Appropriations.

5312. By Mr. KENNEDY of New York: Petition of the Federation of Architects, Engineers, Chemists, and Technicians, New York City, concerning House bill 6449; to the Committee on the Judiciary.

5313. Also, petition of the Greater New York Bakers Joint Council, concerning Government Contracts Act, as amended, covered by Senate bill 2165 and House bill 6449; to the Committee on the Judiciary.

5314. Also, petition of the United Shoe Workers of America, Committee for Industrial Organization, urging support of House bill 6449; to the Committee on the Judiciary.

5315. By Mr. KRAMER: Resolution of the Griffith Park Young Democratic Club of California, relative to House Resolution No. 452; to the Committee on the Judiciary.

5316. Also, resolution of the board of directors of the All City Employees' Association at their regular monthly meeting in April 1938, relative to the United States maintaining a military establishment which will provide adequate national defense, etc.; to the Committee on Military Affairs.

5317. Also, resolution concerning the passage of House bill 10618, authorizing construction of certain public works on rivers and harbors for flood control and other purposes; to the Committee on Flood Control.

5318. Also, resolution of the Grand Parlor of the Native Sons of the Golden West, adopted at their sixty-first session, in San Jose, Calif., relative to exemption of fraternal and benevolent organizations from taxes under title VIII and title IX of the Social Security Act, etc.; to the Committee on Ways and Means.

5319. Also, resolution of the Grand Parlor of the Native Sons of the Golden West, relative to imprisonment, fine, and deportation of aliens attacking the Constitution of the United States, etc.; to the Committee on Immigration and Naturalization.

5320. Also, resolution of the officers and members of the sixty-first session of the Grand Parlor of the Native Sons of the Golden West, assembled in San Jose, Calif., relative to

the lay-off or dismissal of any appreciable percentage of G-men from the force of the Federal Bureau of Investigation, etc.; to the Committee on the Judiciary.

5321. By the SPEAKER: Petition of the National Agricultural Conference, Washington, D. C., petitioning consideration of their resolution dated June 2, 1938, with reference to agricultural price level to at least that of 1926; to the Committee on Banking and Currency.